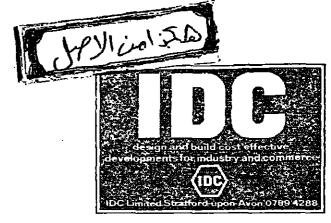
No. 28,100

Friday February 22 1980





CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 4.25; FRANCE Fr 4; GERMANY DW 2.0; ITALY L 700; NETHERLANDS FI 2.0; NORWAY Kr 4.25; PORTUGAL Esc 35; SPAIN Pts 70; SWEDEN Kr 3.75; SWITZERLAND Fr 2.0; EIRE 20g; MALTA 20c

#### NEWS SUMMARY

GENERAL

# Cut of 21% in public housing

Environment Secretary Michael Heseltine yesterday announced a 21 per cent cut in housing expenditure and further councilhouse rent increases for the

In the first of the Covernment's revised public spending programmes to be disclosed. £540m is to be cut from local authority housing programmes in England. There will be a 20 per cent reduction in the allocation for Scottish council

Rents will increase in the second baif of the year by an

average of 60p a week. Chancellor Sir Geoffrey Howe clearly indicated in the Commons that public sector borrowcoming financial year. Back Page, Parliament, Page 10

#### Hostage hardline

Iranian students holding the 50 hostages at the U.S. Embassy in Tehran dismissed as "foolish expectation" American hopes that the captives might be released before the deposed Shah could be returned to Iran. War or Khomeini's ear, Page 3

#### Kosygin hits out

Soviet Premier Alexei Kosygin, 76 yesterday, appeared in public for the first time since his heart attack last October. He made a fierce attack on the West, which he said was trying undermine East-West

#### Flood emergency

California Governor Jerry lower at 879.52 shortly before emergency in the southern part of the U.S. state after flooding caused 16 deaths and damage in excess of \$100m. Page 4

BRITISH GAS Corporation and Mobil will recommend laying a £2bn North Sea gas pipe-

#### No licence

of Medicines decided not to grant a full product licence for the long-term contraceptive injection Depo-Provera manufactured by Upjohn.

#### Jenkins' piea

President of the European Commission Roy Jenkins, is to make a personal appeal to President Giscard d'Estaing of France in an attempt to persuade the French Government to obey the European Courts of Justice over curbs on British lamb imports. Page 2

#### Award for Pilger John Pilger of the Daily Mirror

has been named Journalist of the Year in the British Press Awards for 1979 for his reports from Cambodia. Page 6

#### Republican quits

U.S. Republican Congressman Richard Kelly, who has admitted taking \$25,000 from FBI undercover agents in the Abscam inquiry, resigned from his party's policy-making caucus before it could expel him.

#### ice gold

American Eric Heiden, 21, dressed in a golden suit, became the first man to win four speed skating gold medals in a single winter Olympic Games at Lake Placid, U.S.

#### Briefly . . .

All 13 people aboard a light aircraft were killed when it crashed while attempting an emergency landing at Sydney India's two main non-Com-munist opposition parties, Gandhi's return to power, are devaluation. Page 20 considering a merger.

anniversary of Chopin's birth. previously. Page 22

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

#### BUSINESS

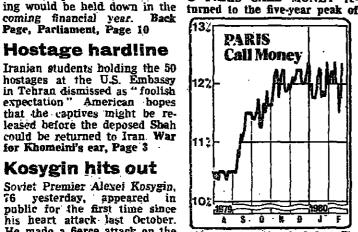
# **Equities** and gilts dull; £ firmer

6 EQUITIES were duil, depressed by labour disputes, and the FT 30-share index shed 0.7 to close at 457.6. However, oil shares were firm and the Gold Mines index rose 13.9 to 341.0.

O GILTS were mixed with shorts making gains up to I although longs lost as much as y overshadowed by anticipation of new Government funding. The FT Government Securities index eased 0.12 to 65.84.

● STERLING rose 75 points to \$2.2870 (\$2.2795) and it index rose to 72.8 (72.5). DOLLAR was unchanged against Japanese currency at Y246 but eased to DM 1.7465 (DM 1.7475) and SwFr 1.6400 (SwFr 1.6430). Its index eased to 85.6 (85.7).

O PARIS CALL MONEY re-



12% per cent touched last De

⊕ GOLD rose \$30 to \$657.50 in London.

2 WALL STREET was 7.34

line soon. Back and Page 8

industry last year rose 4 per cent against 1978, but investment in manufacturing was static. Page 6

C UK IMPORTS from the USSR rose 20 per cent last year to the steel unions. while exports to Russia fell to £419m against 1978's £423.1m.

9 FORD OF BRITAIN has reached an agreement worth about £12m a year for the export of about 3,000 mediumweight trucks annually to India. Page 4

SHELL CHEMICALS plans to raise the price of polypropylene by 10 per cent next month and warns of further price increases. Page 6

⇒ WESTLAND HELICOPTERS. the military belicopter manufacturer, may enter the civil aviation market bringing it into competition with the big U.S.

#### producers. Page 6

AI INDUSTRIAL Products incurred a second-half loss in 1979 of £191,000 against a previous profit of £653,000 and the final dividend is being omitted. Pre-tax surplus for the year fell to £80,000 (£1.22m) due mainly to the engineering dispute.

**❸** ·GUTEHOFFNUNGSHUETTE Europe's largest mechanical engineering group, reports a orders to DM 7.2bn (£1.8bn) in the first six months of last

year. Page 22 O FIRESTONE TIRE and international airport, Australia. Rubber, the second-largest U.S. tyre producer, reported a firstquarter loss of \$13.8m (£6.08m) whose split last year opened after foreign currency losses of the way for Premier Indira 316.6m due to Brazil's currency

SIME DARBY, the Malaysian China, which five years ago multinational, has increased by condemned classical music as bourgeois and reactionary, held a ceremony to mark the 170th (£27.15m) from 111.2m ringgit

A (£70 pd.) .....£657 — 1 Al Ind. Products ... 24 — 5 Booker McConnell . 250 — 5

Carrington Vivella 141 - 11

Dale Electric 96 - 16

Dixor-Strand 15 - 3

Foster Bros. ..... 92 - 8

Gillett Bros. ...... 165 - 20 GKN ..... 250 - 5

Saint Helena ...... £17 + Sth. African Land 415 + Western Holdings £28 + 1; FALLS Treas 12pc 2008-05

# S. Wales pit votes show growing opposition to strike

BY OUR LABOUR EDITOR

A call to miners in South Wales to strike from Monday in protest at job losses caused by the proposed rundown in the steel industry may be rejected, according to first reports from the coalfield, where voting is taking place.

of their national executive committee or the TUC.

Area leaders of the National Union of Mineworkers called the strike to capitalise on the mili-tancy of the steelworkers in meir pay dispute.

They feared that if the steel pay strike was settled the pro-test against closures would go by Delegates from every colliery

in the coalfield voted unani-mously at a meeting on Wednes-day to strike from Monday. They fear that British Steel-Corporation plans to cut 11.300 jobs at the Llanwern and Port Taibot steelworks by August will hit the coalfield very

But more than a quarter of the pits in the coalfield there was an overwhelming "No" vote to the strike call.

At Cynheidre Colliery, near Llanelli, Dyfed, one of the big-gest pits in South Wales, Mr. Glan Morgan, miners' lodge vice-chairman, admitted that the leaders' recommendation was rejected overwhelmingly. Nobody wants a strike. The

leadership are out of touch with the membership," he said. At least 10 pits are believed

Miners at a number of pits to have rejected the strike proappeared unwilling to take posal, though some more action without approval either militant collieries, among them those losing most money and facing closure, will not vote until tomorrow.

NUM officials will announce whether the strike is to go ahead when all votes have been counted early in the afternoon. Mr. Jack Pugsley, lodge secre-

tary, of Nantgarw Colliery near Treforest, Mid-Glamorgan, said:
"We were prepared to join a strike aproved by the TUC, but not to be pushed into going it alone. Our men are very angry." Miners' leaders bitterly attacked the National Coal

Board for "gross interference" in union affairs. They said that managers had attempted to force pits to bring forward their meetings, and had been passing on results from one colliery to another in an effort

Mr. Don Hayward, NUM area administrative officer, accused the NCB last night of a vicious attempt to undermine the democratic processes of the union by trying to influence the

Irrespective of the way the strike vote went, the union would call an emergency conference on Tuesday "to determine a course of action against

Sir Derek Ezra, chairman of the NCB, said that a strike would be against the interests of the coalfield and the people

who work in it.
"I can understand the anxiety of mineworkers in South Wales who believe their jobs to be threatened. But the way out is certainly not to add to the coalfield's financial burden by taking industrial

Labour News Page 10

#### **NEW 21.4% WATER OFFER**

Water authority employers yesterday improved their pay offer to 33,000 manual workers in the supply and sewerage industry by putting forward a package worth 21.4 per cent. Back Page

Employment Secretary James Prior hinted at future legislation on legally enforceable contracts which would enable employers to pay higher wages in return for two or

# EEC offers three-way talks on steel dispute

to swing the vote.

BY ROBIN REEVES AND GILES MERRITT IN BRUSSELS

steel dispute with a proposel Industry for three-way discussions in Mr. Henk between itself, the British Steel Corporation and

The commission's initiative came at the end of a day during which British steel problems had dominated a pubic hearing by a European Parliament committee, attended by BSC top management and senior TUC leaders. This was followed by private discussions between the two parties and the commission

The commission's proposals for fresh talks on the speed and scale of BSC's plan to cut 52,000 jobs by the end of August followed criticism inside the commission of the time

Mr. Len Murray, TUC general

@ CAPITAL SPENDING by THE EUROPEAN Commission secretary, said he had warned disappear. Mr. Henk Vredeling, the Social Brussels during the coming Affairs Commissioner, that the present BSC redundancy programme could create political instability in Britain.

He repeated earlier warnings of "big trouble" from the union movement unless the plan was watered down.

Mr. Murray said the commission had indicated to him that three years would be a more timetable restructuring on such a scale. Mr. Bob Scholey, BSC's chief executive, was unenthusiastic about the commission's pro-posal, although he did not dismiss it out of hand. He said he could not see what light a third party could cast on a well-known problem. If BSC did not

dispute before BSC's March 31 deadline for settling the redundancies issue are still being worked out. It is understood though, that the commission does not envisage a round-table conference but rather a series of dialogues between itself and each of the two parties.

As a first step, the commis sion is to ask the British Government for a comprehenmemorandum proposed rundown.

The commission's authority arbitrator is being strengthened by suggestions that it could dramatically boost Community aid to the UK steel industry. Mr. Vredeling is understood

to be considering use of the "open-endedness" of certain quickly improve its competitiveness, even more jobs would Continued on Back Page

# Iran road contract threatened

BY RAY MAUGHAN

civil engineering group, is threatening to end its £100m road contract in Iran. After talks with the Export Credits Guarantee Department, the group will not allocate further

group will not any resources to the job.
Sir Kenneth Selby, chairman, we are advised that we have valid grounds for terminating the contract now and for obtaining full damages from the client (the Iran Ministry of Roads). Should the client not pay when claims are validated these would fall upon the ECGD."
The ECGD has covered 90 per cent of the value of the con-

its other contractual obligations, "otherwise we shall not be able to complete the work."

Bath and Portland is one of the largest employers of British nationals in Iran with a UK staff of 50. The contract to build a major 180-mile road through Balachistan was started in the autumn of 1975 but work was suspended in February 1978 and stage payments fell into

completed and employed assets of £37m in Iran. Sir Kenneth said: "To this

A letter to Tehran asks the day vital payments of foreign CONTENTS

BATH AND PORTLAND, the Ministry to bring all payments currency due prior to the civil engineering group, is up to date forthwith and meet revolution have not been received and accordingly we have never been able to mobilise to the extent necessary to complete the job in a reasonable period."

> The total cost of interest on the financial support received from ECGD in the year ending October 31 last year was £2.5m when minimum lending rate varied from 10 to 14 per cent, Sir Kenneth said that since then rrears.
>
> MLR has risen to 17 per cent
> The group was urged to and the total interest charge restart in April last year, when has climbed to about £3m. it was owed £18m on work Group profits for the year fell Group profits for the year fell from £5.17m to £2.76m before

Company results, Page 18 Lex. Back Page

Jobbers' under pressure: question marks over their future ...... 16 Energy Review: extending the horizons

of North Sea rigs ...... 11 Management: industrial relations at Ford's South African car plant ..... 13 Around Britain: Swindon - the hard sell for new jobs ...... 14 Lombard: next stage of the EMS by Jonathan Carr ...... 14 Editorial Comment: Mr. Volcker's second try; questions on aid policy 16 Property: Pru wins tender for CBI offices ...... 24 Survey: Qatar ..... inset

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# U.S. hint of higher tariff on **UK** trade

BY REGINALD DALF

THE U.S. does not rule out the imposition of higher tariffs on British goods in retaliation for the UK's curbs on imports of American synthetic fibres, Mr. Reubin Askew, the U.S. Special Trade Representative, said in London yesterday.

U.S.-EEC consultations on the Anglo-American trade dispute over synthetic fibres will start in Brussels in two weeks' time, Mr. Askew said, after talks with Mr. Juhn Nott, the Trade Secretary.

He hoped the consultations would result in the U.S. being satisfactorily compensated for the latest British import curbs, as provided for under the General Agreement on Tariffs and Trade

If compensation could not be agreed, however, the U.S. would have the right to impose new duties on British exports in retaliation. "I am not suggesting we should increase our lexies, but I am not precluding it either," he said.

The U.S. was determined to assert its rights under GATT, and the British action "will cost them." Negotiated compensation would normally take the form of easier access to the UK market for other types of

American exports.
Mr. Askew said he was not only concerned at the impact on U.S. exports of the British quotas on polyester filament and nylon carpet yarn, authorised by the EEC Commission earlier this week. He was particularly concerned at the way they had been introduced, effectively hitting only the U.S.. Canada and Japan.

The consultations would also have to satisfy Washington on this aspect, thus raising an issue that has long been a bone of contention between the EEC and the U.S. While the community argues that existing GATT rules allow safeguard action against selected countries the U.S. maintains that they do Mr. Askew pointed out that

the GATT article used to justify the British quotas, Article 19, was not the one normally used by injured parties seeking to protect themselves against subsidised exports. Britain has complained that the artificially low prices of American oil and 23s feed stocks effectively constitute a subsidy on synthetic fibre

Controlled oil and gas prices accounted for a factor of only 2 or 3 per cent in the pricing of American synthetic exports. Mr. Askew claimed. Most of the

Continued on Back Page

## HIGH COMMISSIONERS SEEK MEETING WITH CARRINGTON

BY MICHAEL HOLMAN IN SALISBURY AND MARK WEBSTER IN

BRITAIN SHOWED its growing concern yesterday at what might happen after next week's elections in Rhodesia by warning against outside intervention in the event of a breakdown in law and order.

Both moves came as a group of more than 30 Commonwealth high commissioners meeting in London said there was now a "crisis of confidence" handling of Rhodesia issue.

They complained that the British administration of Lord Soames was actively discrimin-

The group is trying to arrange a meeting with Lord Carrington, the Foreign Sccretary, so as to "restore a balance" between the parties in the country.

The Foreign Office warning the contacts, and nor would he

on foreign intervention followed reports that South Africa was considering military action if a potentially hostile government got into power in Salis-The Government's warning is apparently designed to quieten fears that there is a conspiracy between South Africa and the West to keep Mr. Mugabe out of power.

Britain is devoting much of its energies to securing stability in Rhodesia once the elections results are announced so that the new government can take over peacefully and the 1,300 strong Commonwealth monitoring force can be withdrawn.

Press about military interven-tion in Rhodesia—apparently held overnight and was charged have renewed fears that Pre-ments at a public rally. A potentially hostile government in Salisbury and will make it identity. harder for the British to reach agreement with the guerrilla leaders over their conduct after the elections.

In Salisbury, an aide to Lord Soames, Mr. Nicholas Fenn, said he expected both Mr. Mugabe and Mr. Joshua Nkomo to order their 22,000 men now assembled in designated areas within the country to stay there after the

# UK warning to keep out of Rhodesia

election result has bee The Rhodesian forces and the guerrilla armies are mutually suspicious about the

other's intentions, when election polling ends on February 29. The lightly-armed detach-The Government also sought assurances that the guerrilla ments of the Commonwealth commanders confine their armies to their assembly points the elections result was desia are faced with the possible of being caught between bility of being caught between the two antagonists if they stay, or withdraw leaving behind un-

certainty. Mr. Fenn, said last night that Lord Soames was "in touch with the commanders of both ZANLA and ZPRA "the armies loyal to Mr. Mugabe and Mr.

"It is the Governor's view," ating against Mr. Robert he continued, "that the com-Mugabe's ZANU (PF) party. manders of both forces should The group is trying to issue unmistakable orders to their assembled forces to stay there. It is our expectation that this will happen." Mr. Fenn gave no details of

> be specific about the length of time the guerrillas would be expected to remain at the assembly places. "They will be responsible to the new government when it is

formed - there is no terminal date attached to that." Meanwhile, Rhodesian police have dropped charges against the former Rhodesian Premier, Mr. Garfield Todd and Mr.

Justin Nyoka, a spokesman for ZANU-FF.

Mr. Todd was charged earlier this month with "assisting a terrorist." The Attorney-General announced that the matter was being dropped following Mr. Todd's explanation of the Reports in the South African incident. Mr. Nyoka appeared in carefully leaked by officials- with making inflammatory statetoria is not prepared to see a spokesman last night said it had been a case of mistaken

Men and Matters, Page 16

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Feb. 20

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# Kosygin appears in public after four-month absence

BY DAVID SATTER IN MOSCOW

THE SOVIET Prime Minister, devote unflagging attention to Mr. Alexei Kosygin, appeared its defence capacity. in public yesterday for the first time in more than four months when he attended an election declare any part of the world meeting in the Belshoi theatre. a sphere of its "vital interests" He is believed to have suffered as though "the United Nations a severe heart attack in mid-charter, international law or

The 76-year-old Soviet leader, at all." looking thin and slightly wan on television, spoke for 45 minutes before voters from the Frunze constituency in Moscow. were apparent in his appearance. His delivery had lost the ruling Polithuro shortly after Mr. Kosygin fell ill. Mr. Traces of prolonged illness

the present crisis in East-West from him to foreign leaders. relations and said that the It is not known whether Mr. a change in the equilibrium of

Mr. Kosygin accused the United States of being ready to state sovereignty did not exist

Kosygin has during his long by Mr. Nikolai replaced absence by Mr. Nikolai Tikhonov, the first Deputy Prime Minister, who was pro-

In his speech, Mr. Kosygin blamed the "belligerent policy of the imperialist forces" for the present crisis in Fact. West Soviet Union would not allow Kosvgin will resume his preforces in the world. It would manager of the Seviet economy.



.Mr. Kosygin: speech to

# Finance Minister's resignation jolts Netherlands coalition

THE CRISIS facing the Netherlands' two-party coalition OPEC oil last year prompted a Government has blown up at a sharp revision of official Dutch time when Prime Minister Dries forecasts, however, and showed van Agt's Administration that considerable savings were appeared to be firmly in the necessary. Under strong pressaddle. Within two months of sure from the central bank, the his skilful piloting of his Government is trying to cut government through a series of spending again and to reduce tough parliamentary debates the size of the public sector over NATO's nuclear modernisation plan, economic difficulties have disrupted the calm.

Mr. Frans. Andriessen, the Finance Minister, offered his resignation on Wednesday after to the unions to reduce their the Cabinet failed to approve his plan to cut Fl 4bn (£900m) industry have met increasing off public spending estimates this year. Instead it agreed a programme believed to entail spending cuts of Fl 3bn. This figure was a compromise between Mr. Andriessen's between Mr. Andriessen's demands and the Fl 2bn of cuts which Dr. Willem Albeda, the Social Affairs Minister, had

Erratic course

Christian Democrats and six Liberals, has steered an erratic economic course. In its first year in office it announced a fouryear programme of spending cuts totalling Fl 10bn. The last budget presented in September revealed, however, that much of this plan had been dropped and that the Government was hoping that new spending programmes would revive the

spending, which would hold down the salaries of many public sector workers, and appeals wage demands in private industry have met increasing opposition. The largest union federation, the 1.1m-strong FNV, is holding protest meetings throughout the country to mark its opposition to the two-month wage freeze imposed by the Government in January.

Though the position of the Cabinet was still unclear yesterday the fact that no other Ministers followed Mr. Andries-The Cabinet, composed of 10 sen's example suggested that the Government had increased its chances of survival.

Left-wing politicians claimed that the loss of the Finance the Netherland's worsening Minister was such a significant blow that the Government could ing parties have good reason for not remain in office. However, Mr. Andriessen is not the first Minister to resign from the present administration. Barely three months after it took office Labour party and the smaller in December 1977, Dr. Roelof Democratic 66 party could form

The rises in the price of resigned over his opposition to coalition OPEC oil last year prompted a the neutron bomb. 50 - year - old Andriessen played a central role in the Catholic party and the Christian Democratic movement in the 1970s though he was passed over for Mr. van Agt as leader of his party's electoral list in 1977. A lawyer by trainborrowing requirement. ing, without a strong back-Attempts to cut government ground of financial matters, he

Broken off

Queen Juliana broke off her winter holiday in Austria to meet Mr. van Agt in Zurich to discuss the situation. They both then flew back to the Netherlands yesterday afternoon. The Queen's announcement of her plan to abdicate in April means that Crown Princess Beatrix might be faced immediately with overseeing lengthy negotiations over a new coalition.

is seen as an unusually straight-

forward politician lacking ability to compromise.

It could take months before a new government was well enough established to tackle economic position. Both governwanting the present administration to stay in office. Recent public opinion polis have shown that, for the first time, the

#### Vance fails to persuade French

AFTER THREE HOURS of talks yesterday Mr. Cyrus Vance, the U.S. Secretary of State, was unable to persuade the French Government to modify its opposition to boycott the Moscow Olympics.

Following the discussions with M. Jean Francois-Poncet, the French Foreign Minister. Mr. Vance said there had been substantial agreement on the origin of the problems raised by the Soviet invasion of Afghanistan. There was also a similarity of views on the objectives of the two countries in resolving the

But in an apparent reference to the American propo sals for the boycott and tougher economic sanctions against the Soviet Union, he said differences remained " on the actions to be taken in response to the problem." The French Government considered such measures would result in a toughening of the

No agreement

While the EEC proposals for a neutral Afghanistan were discussed, no specific agreement was reached, according to French officials. Nearly all shops and stores in Kabul were closed yester-day in the most spectacular protest so far against the

Russian military occupation of Aighanistan, Reuter reports. The shopkeepers obeyed a rebel leaflet urging them to show their "unanknous con-demnation" of the invasion by paralysing the commercial life of the city of 1m people, despite frantic efforts to force them to stay open.

#### Air controllers strike challenge to Lisbon

THE strike by Portugals air traffic controllers has highlighted the difficulties of the Government in holding down wages, writes Jimmy Burns in Lishon. The controllers are insisting their increases be backdated 12 months because of delays in reaching a settlement before the end of last year. They also want a shorter working week.

The strike is affecting some 250 flights a day and is having serious effects on tourism and on Air Portugal the national airline which is believed to be losing £460,000 a day.

CHRISTIAN DEMOCRATS BAR DOOR TO COMMUNISTS

# Italian ruling party swings to right

BY RUPERT CORNWELL IN ROME

Communists, Italy's ruling party president and a leader of Christian Democrats have taken the centrist "Doroteo" faction, an important move towards the former Premiers Colombo and right at their national congress Rumor and Sig. Amintore Fanhere—and further narrowed the fani, president of the Senate options for a resolution of the and the driving force behind country's political deadlock.

The veto is contained in a preamble to an otherwise inconclusive document winding up the congress yesterday. It is above all a clear defeat for the party's reformist wing, led by Sig. Benigno Zaccagnini, the outgoing secretary, and Sig. Giulio Andreotti, the ex-Prime Minister, which was ready to emergency contemplate an government with the Communists.

In the final vote, the group support, against 57 per cent for mood of the congress.

WITH A decision to bar the a centre-right "cartel" embrac. The rejection of the Zacsag cannot do a deal with the doors of government to the ing Sig. Flaminio Piccoli, the nini-Andreotti line will have far Socialists—on the face of it unthe anti-Communist lobby.

The key passage of the preamble supports the notion of national solidarity between all parties, but explicitly rules out in advance any question of Communist ministers in the Italian Cabinet, on the grounds of both national and international considerations. And although the majority endorsing it was put together by the traditional means of horse-trading and backroom dealing, its content is in fact a faithful reflection of only commanded 43 per cent of the manifest anti-Communist

first place serious doubt must now surround the prospect of stable political arrangement.

to the divided Socialist Party, on whose abstention in Parliament the fragile Government of Sig. Francesco Cossiga depends to survive. The Socialists had reached an apparently uneasy compromise among themselves to cut off this lifeline once the Christian Democrat congress had ended. But a decision on whether to do so risks reopening the split between the Socialist right and its left wing, which is insistent that the Communists must be grought into government

reaching consequences. In the likely—the threat of an early general election would loom large. The main obstacle indeed all-party talks, including the is only the reluctance of politi-Communists, to work out a more cians to call a new poll, one year after the last, which

Attention now switches back probably would be inconclusive. These circumstances lead many observers to believe that the politicians, faced with an apparent stalemate, will again postpone the moment of truth, nerhans until after the regional

elections due this spring. In the meantime, the outcome of the congress has enhanced the prospects of Sig. Piccoli being chosen as party secretary at the first session of the Christian Democrats National Council, to be held in the next three weeks.- His replacement as president could be Sig.

If the Christian Democrats Andreotti.

## Commission skirts oil levy issue

European Community is backing away from taking an early decision on whether to propose t levy on oil imports.

After discussions this week, the 13-member Commission has agreed to prepare a paper for the Heads of Government meeting in Brussels at the end of March which will focus more on the basic requirements of a Community energy policy and on possible program

But the question of how Brussels should raise money for energy conservation and Tariffs and Trade and might developing alternative energy provoke a reaction from Middle sources will not be tackled for East oil producers.

THE COMMISSION of the the time being. The Commission hopes that if member countries can be persuaded of the positive benefits of a Community-wide effort on energy, they will be more ready to take difficult decisions on how the policy should be financed.

> problem within the Commission is highlighting a number of difficulties. An oil import levy, for example, would almost certainly fall foul of the Com-munity's commitments under

There has been some talk this week on the possibility of coupling a levy with some form of consumption tax in each member state to drive home the EEC's commitment to conservation.
This and other ideas will be

presented as options for the Heads of Government to con-Examination of the funding sider. They will be related to a EEC's sole oil producer, should impose a new production tax on North Sea producers so that they do not gain from the fact the General Agreement on that the Community oil price, Tariffs and Trade and might boosted by an import levy. would be higher than the world

#### W. German plastics optimistic on growth

WEST GERMANY'S plastics processing industry expects fur-ther solid growth this year despite fears about rising raw material prices and early signs that some plastics consumers are switching back to traditional materials because of rising

Total sales of plastics products grew by 8 per cent in real terms last year to nearly DM25bn (£6.25bn), and the industry is confident that sales will show a further real expansion of some 6 per cent this year.

Plastics processing plays as large a role in the West German economy as some traditional heavy industries, such as mining, but, in contrast to older manufacturing sectors, it consists of a very large number of small and medium-sized com-

The plastics federation said yesterday that general profit-ability improved markedly last year (the return on sales is estimated at 5.5-6 per cent compared with an average 4.8 per cent for the previous five years) but the smaller companies did not share in this improvement.

These are suffering from falling profits, lower investment and inability to recover the rising costs of labour and raw materials. The industry's work-force grew last year by 6.9 per cent to 207,200.

A strong attack has been launched on raw materials suppanies, which they accuse of raising prices far above the corresponding rises in oil and basic petrochemicals.

The plastics federation said vesterday that since September 1978, the prices of most of their raw materials had risen by 60-84 per cent, while the prices of some materials had more than

doubled. Sales by the plastics processing industry showed a nominal rise of more than 20 per cent last year, but companies complained that, with a real sales increase of 8 per cent, they had managed to pass on only a limited part of the raw mater-

ials cost increases. Herr Ludwig chairman of the federation, said yesterday that there were already signs of some consumer industries switching away from plastics to traditional materials, such as paper and metals.

too much concern, however, as the plastics industry is confi-dent that general rises in energy other rival materials such as paper, board, glass and metals.

# Jenkins plea to Giscard on lamb

BY MARGARET VAN HATTEM IN BRUSSELS

MR. ROY JENKINS, president Gundelach, the Farm Commisof the European Commission, is making a personal appeal to President Giscard d'Estaing in an attempt to get France to obey the rulings of the European Court of Justice on the lamb issue. Mr. Jenkins move follows an abortive appeal by Chancellor Helmet Schmidt of West Germany during his talks with the French President earlier this month.

A secret letter to M. Giscard was being drafted by Mr. Jenkins' aides here yesterday after his fellow Commissioners had decided on Wednesday to postpone further legal action against illegal French curbs on British lamb imports.

The Commission had been expected, on the basis of public assurances from Mr. Finn Olav

sioner, to seek an interim injunction from the court against France. Following a discussion of the

issue by the British Cabinet yesterday, Mr. Peter Walker, the UK Agriculture Minister, said he was "very surprised and dis-appointed" to learn of the Commission's decision to post-pone legal action, particularly in the light of personal assurances he had received from Mr. Gundelach on Monday.

He said the Commission's action contrasted sharply with its promptness in taking out interim injunction against British pigmeat subsidies in January 1977.

• Mr. Jenkins: support for the Court



#### Kruisinga, the Defence Minister, a majority in Parliament. economy. Reduced economic growth forecast for Ireland

**EUROPEAN OPTIONS EXCHANGE** 

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40 2 2

850

TOTAL VOLUME IN CONTRACTS

5 2.90

April | July | Vol. Last | Vol. | Last |

BY STEWART DALBY IN DUBLIN

IRELAND'S ECONOMY could The deflation, which the Irish grow by 2 per cent this year Government has already hinted IRELAND'S ECONOMY could while Britain will probably experience nil growth, according to the quarterly bulletin of the Economic and Social Research

The 2 per cent figure, however, represents a slow-down from 1979 when the economy grew by 2.7 per cent. The fall in growth will arise, the ESRI says, from deflationary measures expected in next week's It feels that the public sector budget, combined with com-paratively smaller export sales reduced to between I£ 800m to Britain because of the slug- and IE 1bn. Assuming that the gish economy there. Some 46 figure is IE900m a borrowing per cent of Irish exports still go to Britain despite consider- likely, on the basis that the able diversification in recent GNP will be I£ 8.3bn by the

is on the way, is necessary to reduce both Ireland's enormous balance of payments deficit and its large public sector borrowing requirement, the ESRI believes. Unless the balance of payments deficit, which in 1979 was I£ 760m, (£704m sterling) is reduced reserves will become

severely rundown. Equally the ESRI believes the Government is over borrowed. rate of around 11 per cent is end of this year-

Vol. Last Stock

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# Bankers group backs substitution account

account to stabilise exchange rates and reduce the reserve currency role of the U.S. dollar has been given by the Group of 30, a New York-based study group of bankers and economists supported by the Rockefeller Foundation.

The account, as presently being discussed by the Inter-national Monetary Fund, will allow central banks to exchange part of their dollar holdings for Fund-issued assets denominated in the IMF's multiple currency unit, the Special Drawing Right. The scheme will be one of the main items on the agenda at the Hamburg meeting in April of Finance Ministers making up the IMF's interim

committee.

A report published today by the Group of 30 says that agreement on the account would mark an important step forward

STRONG SUPPORT for an Mr. Christopher McMahon, international substitution executive director of the Bank of England and Mr. I. G. Patel, Governor of the Reserve Bank of India.

"Failure to reach such an agreement would risk adding to the volatility of exchange rates and the instability of current international monetary arrange-

Reserve problem The report says there is a

serious reserve asset problem in today's international monetary arrangements. Many central banks around the world are tending to diversity the composition of their reserves away from the dollar. This has been leading to the development of a "multi - currency reserve system," which would be inherently unstable as shifts in central banks' currency prefer-ences could disrupt foreign

in the evolution of the international monetary system. The group drawing up the report was chaired by Dr. Johannes Witteveen former for Witteveen, former managing but would also offer an alterna-director of the IMF, and tive to further diversification included among its members and contribute to an orderly

reduction in the dollar's reserve The SDR account would need

to total eventually some SDR 50bn (\$65bn) in order to make an effective contribution to deflecting diversification pres-sure from the dollar. This compares with a figure of around \$20bn currently being put forward by the IMF as a suitable starting-up total.

The report says it is unlikely that the dollar can continue indefinitely to provide some 80 per cent of the world's foreign

exchange reserves. Since 1979 central banks have moved out of sterling into Deutsche Marks and other nondollar currencies. But there has been no net diversification out of the dollar. The move away from the U.S. currency by the smaller industrialised countries and developing nations has been , which the account was being offset by dollar accumulation by

changing composition of world foreign exchange management by central banks, and the increasing importance of international lending in non-dollar currencies.

The need for the substitution account is made more urgent by the prospect that oil exporting countries will run large current account surpluses

Move away

Because the move away from the dollar is likely to continue urges that central banks should co-operate in providing channels for non-disruptive diversification during the time in set up..

However, general currency in both the industrialised diversification is expected to countries and the developing continue. The improvement in world—is essential, but it should the U.S. current account over be on a voluntary basis.

the last year is unlikely to The scheme should be market-reverse the trend. This is for orientated, providing incentives several reasons, including the for private-sector institutions as well as central banks to hold, trade, growing sophistication of and develop markets in SDRdenominated claims. For this reason, the claims or

> pertificates to be issued by the account should be sufficiently attractive with interest to be paid on a weighted average of short-term rates prevailing in the major financial markets. The account would be run on permanent basis and the SDR

claim should be of indefinite

maturity. Claims should be freely transferable both freely between official participants, by mutual agreement, and between official and private helders. The inclusion of the private sector in the account would enhance the liquidity of the

claims, and open the way to the eventual private use of SDRs proper (which cannot be held privately at present). However, private holders of dollars should not be permitted, at least initially, to deposit them with the account, as this would unduly complicate its administration.

The proper (which cannot be held privately at present). However, the industry report order books above, or at the same level as, 12 months ago and capital investment is still showing a rising trend with expenditure expected to total more than DM 1.5bn this year.

# Moscow plays waiting game on Yugoslavia

THE SOVIET Press has treated the illness of Yugoslavia's President Josip Broz Tito with the utmost caution and observers believe that, if he dies in the near future, Moscow is unlikely to try overtly to discomfort the weakened Yugoslav régime. Newspapers have restricted themselves to brief factual reports, quoting the Tanjug

news agency, on the state of

President Tito's health, and all

sion of Afghanistan have been far more severe than the outcry ties to the Soviet Bloc. dropped.

newspapers in the USSR. Soviet. Western and Yugo- Soviet Union in recent years, slav experts all believe the despite its traditional trade sur- cautiously for developments in restraint reflected in Moscow's pluses. present behaviour is likely to continue if President Tito dies. status in Comecon, the East thing that might help unify the Speculation about a possible Bloc economic grouping, and country in opposing Soviet ex-

Yugoslavia is confident that negotiations begun yesterday in Brussels on a new economic agreement with the EEC will be sucessful, write Alexsandar Lebi in Belgrade. Officials believe that since

the Soviet intervention in attack on Yugoslavia is con- members pay protected prices sidered to be entirely un- for Soviet oil which might be

polemics with Yugoslavia on realistic because it would available to Yugoslavia too were

over the invasion of Afghani-

goodwill of the EEC negotiators has improved markedly, and it is hoped in Belgrade that an agreement could be signed before the end of this month.

Afghanistan and the implied

danger to Yugoslavia follow-ing President Tito's illness the

issues such as the Soviet inva- summon an anti-Soviet reaction it to strengthen its economic The Soviet Union may be The Soviet news agency Tass stan, also because the attack assumed to have a long-term reacted angrily to Western might not succeed.

Press speculation about Mos- It is expected that Moscow's over both Yugoslavia and

> Yuogslavia into deficit with the ability to defend itself. Moscow is expected to watch the internal Yugoslav political Yugoslavia now has observer situation and avoid doing any-

pansionism. In the event of civil strife within Yugoslavia, Moscow would probably work secretly to strengthen any pro-Soviet groups. Yugoslavia sold 41 per cent of

its exports to the Comecon bloc last year while 42 per cent went to the industrialised West USSR imports of Yugoslav industrial goods increased fourfold in 1976-80, compared with the previous five-year period. and Yugoslavia remains heavily dependent on the Soviet Union for oil and natural gas.

The potential danger to Yugoslavia's political freedom of action which this economic decow's intentions, dismissing strategy in the post-Tito era Albania, whose anti-Soviet pendence could present has lent them as "fantastic concoctions" will be to tie Yugoslavia more tirades are, if anything, more special urgency to the talks beand "crude, provocative and closely to the Soviet economy violent than those of the tween Yugoslavia and the false." But the Tass report was through credits and trade. Yugo- Chinese. But there is no European Community on an intended for foreign consump- slavia pays OPEC prices for urgency about this goal, particu- economic co-operation agreetion and was not printed in Russian oil, which has pushed larly since Yugoslavia has the ment, which may be signed

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#### FOOD PRICE MOVEMENTS February 21 Week ago Month ago **BACON**† Danish A.1 per ton ... 1,230 British A.1 per ton ... 1,180 Ulster A.1 per ton .... 1,180 BUTTER; NZ per 10 kg ....... 14.80/14.97 14.80/14.97 14.20/14.37 English per 10 kg ...... 18.57 18.57 18.57 18.57 Danish salted per 10 kg ...... 19.18 19.18 19.18 CREESE‡ English cheddar ..... 1,545 1,560/1,611 1,505 Irish cheddar ..... 1,526.11 1,635.95 1,526.1 Danish cheddar ..... 1,420 1,455 1,395 Home produced: 4.70/4.90 5.00/5.10 February 21 Week ago Month ago 64.0/68.0 -63.0/67.0 46.0/49.0 LAMB 46.0/56.0

#### English ...... 50.0/64.0 NZ PLs/PMs ..... 51.5/54.0 51.0/53.5 49.0/51.0 --All weights ...... 36.0/49.0 36.0/50.0 36.0/49.0 POULTRY Oven-ready chickens... 39.0/48.0 37.0/48.0 38.0/48.0 \*London Egg Exchange price per 120 eggs. † Delivered. ‡ 20-kg rindless blocks delivered, per tonne.



# Syria allocates 55% of Budget for defence

BY OUR CAIRO CORRESPONDENT

WHENEVER SYRIA feels threatened, or, as in the early years of the 1970s, plans to launch a war to recover its Israeli-occupied territory, these attitudes tend to be reflected in the composition of its annual

Hence Wednesday's announcement by Dr. Hamdi Saqqa, the Finance Minister, to the People's Council that, in Syria's biggest-ever budget, for 1980, some 55 per cent of the esti-mated \$7bn (£3.1bn) allocations will go to the military and internal security forces. This compares, according to the London-based International Institute for Strategic Studies, with 24.1 per cent in 1978 and 35.6 per cent last year.

This year's further and substantial rise is directly related to the peace treaty between Egypt and Israel, and the anxieties Syria feels over Lebanon, where it has at least 26,000 peace-keeping troops.

Since President Anwar Sadat's visit to Jerusalem in November 1977 and the subsequent peace treaty, Syria has felt, militarily, acutely vulnerable on its southern front, and admits it could not hope to win an all-out confrontation with

This does not mean that for national and pan-Arab reasons it does not wish to maintain as effective a deterrent force as possible. The resolutions of the 1978 Baghdad Arab summit in particular were specifically designed to help Syria bolster its military credibility.

Baghdad agreements, Syria was solely political terms.

due to receive annual payments for the next five years of about \$1.8bn. So far as can be assessed, about \$1.4bn was paid last year, and the first tranches of the 1980 financial year have begun arriving.

Nearly all this money has been channelled directly into military spending and accounted for almost all the increase in the 1979 Budget.
Because of initial difficulties

in negotiations with the Soviet Union over the pace and quality of arms deliveries, it is under stood that a significant propor-tion of the 1979 allocations were not disbursed.

This could help to account for the greater increase in the 1980 Budget. Even before the Soviet invasion of Afghanistan, Moscow and Damascus had sorted out part of their disagreement which stemmed from the Syrian desire for more sophisticated weapons, paraticularly the T-72 tank and MiG-25 and MiG-27 fighter interceptors.

Syria is already understood to have received about 120 of the T-72 tanks and about two squadrons of the MiG-25s.

Syria tends to over-emphasise the burden of maintaining its troops in Lebanon, but this operation does represent some extra charge to the military

Troops deployed there receive additional payments this year, the Government must also meet the cost of significant pay rises decreed earlier for its armed forces, estimated at 230,000.

The Syrian decision to pull back from Beirut would make no difference to military spend-Under the terms of the ing, and has to be viewed in

Simon Henderson, in Tehran, examines the rivalry behind the differing pronouncements from Iran

# Bani-Sadr and the war for Khomeini's ear

cast appeal to Iranians on Wednesday to continue demanding the former Shah's extradition for trial in Iran appeared to threaten President Bani-Sada's plans to solve the crisis over the 50 hostages held at the US embassy in Tehran.

Certainly diplomats in the Iranian capital believe that President Bani-Sadr is now under considerable pressure, despite the strong position he established by winning 75 per armed forces from Ayatollah

CONTINUING domestic political rivalry appears to be the
principal cause of the differing ruling Revolutionary Council,
statements coming out of
Tehran in connection with the
UN-sponsored commission of
inquiry into the regime of the
former Shah of Iran.

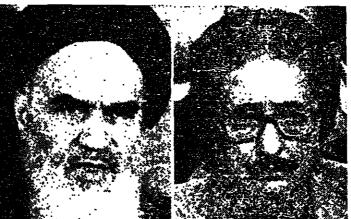
Ayatollah Khomeini's broad.

Cost anneal to Iranians on Wed.

thought to come from three
leading clergymen sitting on the
leading clergymen

The three are Ayatollah Mohammed Beheshti, secretary of the Council, Hojatuleslam Ali Khameneyi, the Council's representative in the Ministry of Defence, and Hojatuleslam Ali Akhbar Rafsanjani, the Council's representative in the Interior Ministry.

Together they represent the basic leadership of the Islamic Republican party. This was thought to be the political party of the clergy until Mr. Banicent of the post in the Presicent of the post in the Presidential election three weeks showed it had neither the
ago, and despite having organisation nor the suitable
reinforced his authority earlier
this week by taking over as withdrew when it was shown
Commander-in-Chief of the had an Afghan parent and was therefore not a true Iranian.



Ayatollah Khomeini (left) and President Bani-Sadr who claims the religious leader's approval for his plans.

"Guardian Council" to act as weapon available to them at watchdogs of the constitution, the moment is the hostage But Ayatollah Khomeini this crisis. week appointed six other men, all senior clerics free of political involvement.

This interpretation is one of the very few to make any sense the confusing series of "In fighting for their political Iranian statements on the crisis Iran's internal political debate

A couple of months ago these lives, these men are baving to in the past week. President make use of whatever weapons Bani-Sadr has held out the clear-cut. But the basic challenge to Mr. Bani-Sadr is through elevation to the yesterday in Tehran. "The release if the U.S. apologises

Until two days ago Mr. Baui-Sadr was able to argue that he had Ayatollah Khomeini's approval for this plans. But then the alling leader's message late on Wednesday night dampened hopes. His reference in that message to "our dear young people" was seen as backing for the militant students holding

the hostages. The role being played by Ayatollah Khomeini remains crucial, even though he has handed over some authority by relinquishing the post of Com-mander-in-Chief of the armed forces and of the Guardian Council.

Only insiders know the true state of health of the 79-year-old from heart trouble in a Tehran hospital. How closely he is following political developments can only be guessed.

Mr. Bani-Sadr saw the Ayatollah for 20 minutes last week and Dr. Beheshti and some

for past interference in trans internal affairs. But other members of the Council have continued to link the hostages with the return of the apparently failed to secure any collisical future for himself. political future for himself. Cynics call the whole process a

"war of Khomeini's ear." Mr. Bani-Sadr is still thought likely to emerge supreme. His Unity Congress grouping is expected to sweep the March 14 assembly polls. But the delay in the election, which was originally scheduled for a week earlier, was seen as a minor tactical victory for his rivals.

The President's strength is that he is both respected as an honest politician and sur-rounded by a group of bright young assistants aware of the political challenges and cunning enough to outflank them. But until the domestic political battle is decided, progress on the hostage issue looks unlikely. Even if Iranians are becoming bored with the hostages problem, it would still be difficult for them to accept the loss of face involved in failure to secure the Shah's return. That is the present challenge-

# Egypt near signing \$650m IMF agreement

EGYPT AND the International Monetary Fund have initialled a new three-year agreement thought to be worth about \$650m-\$700m (£289m-£311m). The broad lines of the extended fund facility were negotiated in Cairo over the past 10 days. The remaining detailed work is likely to be completed in time for formal signing in March . Neither side has yet made an sum.

official announcement, reflecting

publicly predicted.

the turnaround in the Egyptian economic policies. balance of payments during the past two years, due to buoyancy flows, could not justify a larger distortions caused by heavy sub-

But to be on the verge of commodities. IMF caution and perhaps some clinching an IMF agreement is

Europe's support for PLO angers Israel

ment its much-sought-after seal duce them led to three days of This failure is largely because of international approval for its serious rioting

sidies on a wide range of staple

Egyptian disappointment at fail- a remarkable achievement for sensitive politically, since the ing to extract the \$1.1bn it had Egypt and gives the Govern- attempt in January 1977 to re-

It also indicates that the IMF commitments in the last IMF is convinced that Egypt intends agreement for \$730m, which was of oil prices, workers' remit to come to grips with its main aborted only four months after tances from abroad, tourism, deep-seated problems, particulit was signed in the summer of Suez Canal earnings and aid larly the Budget deficit and the 1978. This time, the conditions set down in the letter of intent may be more flexible or the IMF is more confident that they will

The subsidies are acutely be adhered to.

#### S. Africa goes ahead with power link for Namibia

BY OUENTIN PEEL IN JOHANNESBURG

been awaiting Cabinet approval for many months, because of uncertainty over the future of the territory and the status of

the Ruacana hydro - electric

power scheme on the Angolan

border.
The decision to go ahead with its construction, at a cost estimated at some R50m (£28m), suggests that the South African Government does not expect any early resolution of the stalemate with Angola which prevents Ruacana from being used outside the rainy

The line will run 500 miles & The South African Defence Windhoek. capacity of 100-120 MW.

Announcing the decision yespower generation capacity in to 95.

SOUTH AFRICA last night the territory was very stretched announced the go-shead for a as long as the Ruscana scheme power line to link Namibia could not be fully utilised. A (South-West Africa) with the shortage of power would South African electricity grid. seriously hamper the territory's A decision on the line has economy, and particularly the mining industry, including Rio Tinto's Rossing uranium mine. The future of the territory is

still under discussion between South Africa and the United Nations and approval of the power line will obviously increase the dependence of Namibia on South Africa

The 240 MW Ruacana scheme, which could have supplied all Namibia's power needs, cannot operate outside the rainy season because the never been completed.

from Aggeneis in the northern Force announced yesterday Cape via Keetmanshoep to that a further 18 guerrillas It will have a belonging to the South-west Africa Peoples Organisation (SWAPO) had been killed terday. Dr. Schalk van der during the past week bringing Merwe, the South African the total casualty figure for Minister of Industry, said that SWAPO guerrillas in February

#### Jordan plans to soak up liquidity

AMMAN - Jordan is formu- development in Jordan are lating a strict monetary policy creating exaggerated expectato soak up domestic liquidity, Sherif Abdel-Hamid Sharaf. the Prime Minister, told a

Press conference yesterday. The Government's efforts to curb inflation, running officially at 12 per cent, have so far been frustrated by world oil price rises which led to domestic out last year. Four experi-fuel price increases of over 30 mental wells would be drilled per cent in some cases.

tions among the public, with aspirations greater than the country's resources, the Prime

Minister said.

He added that oil exploration was about to be renewed following encouraging signs from seismic surveys carried in the South of the country. Economic growth and social Reuter

BY DAYID LENNON IN TEL AYIV ISRAEL is worried about grow-

ing support within Europe for the Palestinian cause A meeting of the 15 Israeli European capitals was held in London yesterday to discuss ways of combating what is seen in Jerusalem as European moves towards recognition of the Palestinian Liberation Organisa-

Foreign Office because of its 242. proposal to amend United Is Nations resolution 242 to give restricted to verbal broadsides, recognition to Palestinian although Mr. Menahem Begin, national rights and to bring the the Prime Minister, is reported PLO into the Middle East peace to have berated the British am- an independent Palestinian state

Israel was annoyed that friends round of ministerial talks on various Arab states,

Israeli anger is currently like Britain were taking the Palestinian directed towards the British initiative to change resolution

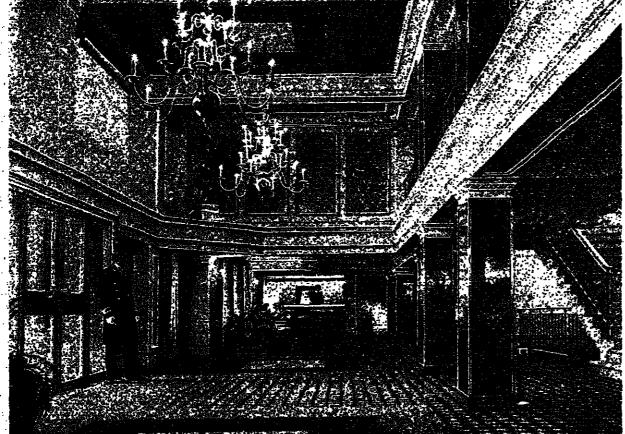
Israeli anger has not been bassador in Tel Aviv. It has also Professor Yigael Yadin, the been given concrete form by Equally worrying were reports Deputy Prime Minister, said Israel's refusal to hold the next of West German arms sales to

autonomy Although Israel was not sur-

prised by French support for the British moves, it was deeply disturbed by a joint Irish-Bahrain declaration favouring and recognising the PLO.

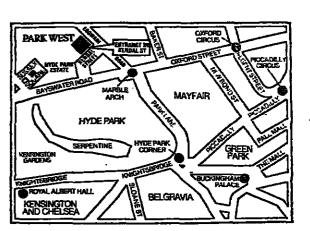
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REPUBLICANS IN NEW HAMPSHIRE

# Knives out behind the facade of GOP togetherness

BY JUREK MARTIN IN MANCHESTER, NEW HAMPSHIRE

THE First Commandment of the Republican Party so far in 1980 is that no candidate shall not speak ill of another-at least not when all are gathered together in the same place.

Thus it was, on Wednesday night at Manchester Central High School, that all seven cast stones at President Jimmy Carter, the Soviet Union and big government everywhere, while never even implying that anybody else sharing the plat-form was other than a fine upstanding gentleman, more than capable of discharging the duties of the Presidency with honour.

The harmony, of course, is artificial. When they are out stomping on their own, reticence is less evident. Mr. Ronald Reagan's New Hamp-shire campaign, with the sometimes unwanted assistance of the daily vitriol spewed out by the Manchester Union Leader newspaper, is not slow to suggest that Mr. George Bush is a closet silk-stocking liberal, a tool of the internationalist minded, Rockefeller-dominated Eastern establishment.

Senator Howard Baker, from his perspective in the middle of the party, is prone to insinuate that Mr. Bush is just an ideological clone of Mr. Reagan with a dreadful electoral record. And Mr. Bush's heavily advertised daily three-mile runs are undertaken not simply to enhance his fitness but to con-trast his vigour with the imagined near-dotage creeping up on the 69-year-old former Governor of California.

It is generally assumed that, with the nation's first Presidential primary less than a week off, the Republican wheat has already been sorted from the chaff. In the former field stand Mr. Bush. Mr. Reagan and per-haps Mr. Baker: in the latter Mr. John Connally, Mr. John Anderson, Mr. Philip Crane and Mr. Robert Dole.

But it is also accepted that some puff of wind could miraculously transport one of the bottom four into more fertile pastures, if not here in New Hampshire then, provided the campaign money holds out. somewhere else later along the primary line. In any case the performance of the bottom four can take valuable votes away from the front-runners.

the whole campaign would be ment down to size, and maintain enlivened in content and elevated in tone if such a transformation were to visit Mr. Crane will get his share of the gressman from This 20-year Congressman gressman from Illinois, while Mr. Connally, however, seems maned and full of voice, has a shadow of his former self. Mr. Reagan is also pretty good are counted next Tuesday, and nothing to lose by standing out The once bombastic Treasury at "the glazed look, catch-in-the field is genuinely narrowed, clearly from the pack. It is not Secretary is quite muted and the voice when talking about the survivors cannot be





Republican front-runners George Bush, Ronald Reagan and Howard Baker . . . the harmony

liberal than his rivals, but also ing to the hope that in some that he is unafraid to take controversial positions which more than justify the theme of his radio and TV commercials the " Consider difference." Anderson

Different he is. In the farm state of Iowa he supported the partial grains embargo against the Soviet Union Here in New Hampshire, where hunting is a favourite pastime, he speaks out for gun control, states un-equivocally his belief in a woman's right to choose abortion, and declares flatly that it is impossible simul-taneously to balance the budget and embark on major defence spending. He incessantly plugs away with his proposal that the U.S. enacts a 50-cents-a-gailon tax on petrol, using the proceeds to restore financial via-bility to the battered social security system.

No other candidate is so direct, perhaps because they all know the pitfalls that normally come with specificity. Mr. Crane it must be said, does not pull his conservative punches either.

#### Connaily muted

horse for Mr. Reagan, the a lot of patriotic background lantern-jawed young Congressman's eyes flash and his big by this, he was a bit carried teeth gleam as he enunciates away recently when he said he the creed of the true believers -back to the gold standard,

merely that he is much more now appears merely to be cling- America"

In Arizona, around the city of

Phoenix, widespread flooding has undermined roads and

bridges and flooded houses in

what is normally an arid part of

Brown declares emergency

WIDESPREAD AREAS of destroyed over 30 homes and

southern California and Arizona severely damaged hundreds

which have been swept by more. In the past week there

severe storms and flooding have has been more than 11 inches of

by President Jimmy Carter and The flooding and mud slides

California governor, Mr. Jerry in canyons surrounding Los

be in southern California, where winds and heavy seas have

Governor Brown has declared a pounded ocean-front homes in

state of emergency in four Malibu county, adjacent to Los counties surrounding Los Angeles, and caused extensive

the country.

after California storms

BY STEWART FLEMING IN NEW YORK

Angeles and placed 18,000 mem- damage.

bers of the state national guard

on standby alert following 16

deaths and damage reckoned to

Most of the damage has been

due to mud slides which have

MITI mission

**UK** prospects

be in excess of \$100m.

to explore

been designated disaster areas rain in the area.

later southern primary closer to his Texan home he can do better. Senator Dole by now is just playing out the string, surviving publicly on his notorious, sometimes abrasive,

sense of humour. The real focus here is on Mr. Bush and Mr. Reagan. Neither put a foot particularly wrong Wednesday night's forum. which probably helped Mr. Bush a little now that he has become the favourite. It is remarkable how faithfully Mr. Bush is following the trail blazed by Governor Jimmy Carter four years ago both in the tactic of running everywhere and relying on good organisation and in his public demeanour.

While candidate preached that he would never tell a lie and that Government should reflect the inherent goodness of the American people, candidate Bush proclaims his optimism about America with the line: "Together there's nothing we can't solve."

While candidate Carter flashed

his famous grin, candidate Bush clenches his lean jaw, punches the air with his fist, mists his eyes and goes into overdrive. Once viewed as a stalking Mis commercials here feature Perhaps over-inspired music. thought a nuclear war was "winnable." But otherwise Mr.

> As befits a professional actor, approach.

signed from the Republican

caucus yesterday. Republican leaders in the

rank and file to expel Mr. Kelly

Brown.

Angeles has been only part of House of Representatives had Democratic leader, Mr. Tip O'Neill, the House Speaker, who

the probe.

Republican in FBI

probe quits party

BY OUR WASHINGTON CORRESPONDENT

THE ONLY Republican repre- Government agents. This, he sentative so far implicated in explained, was because he was

the FBI's political corruption conducting his own investiga-

House of Representatives had Democratic leader, Mr. Tip

from the Congressional party ignoring due process of law be-

organisation and to deny him cause none of those named in party campaign funds, because the scandal had been formally

Seven Democrats were also House Republican leaders

implicated in the scandal but may hope to turn to political Mr. Kelly was also the only one advantage a scandal that in-

to admit publicly that he took volves a disproportionate num-

money from the undercover ber of Democrats

he took a \$25,000 payment in charged, let alone convicted.

probe, Mr. Richard Kelly, re-tion of political skullduggery.

Wednesday night he said he thought some "divine plan" thought some had placed the U.S. of America on the earth.

But the success of Mr. Bush has had the effect of persuading Mr. Reagan to campaign more and of shoving him back to the conservative camp, from whose confines, under the tutelage of his campaign manager, Mr. John Sears, he was trying to escape. Now he wants an American blockade of Cuba as part of a grand strategy for the 1980s designed "to touch the soft spots" of the Soviet Union.

#### Obvious course

Mr. Baker's assets are les graphically evident. He is a small man who speaks in long, grammatically correct sentences. He wants, as he puts it, to "civilise" politics. His initial error—it may turn out to have been a fatal miscalculation-was to believe he could run for President from the national vantage point of the Congress, in which he is Senate minority leader, only to find out that to be associated with Congress these days is not a popular profession.

Mr. Baker is clearly intelligent, knowledgeable and, on most matters, fairly moderate. But he has a lot of catching up to do, and he knows it.

In the meantime, the safest course for all is to attack the obvious - President Carter's record-while at the same time trying to build an individual identity in the public eye. So memorable, but he says it with far this has been a civilised, gentlemanly business. after the New Hampshire votes On expected to be so reticent.

The Republican leadership's

recommendation brought an

immediate rebuke from the

said the Republicans were

the scandal had been formally

By taking swift action the

#### 'Windfall' proceeds may fund tax cuts

PRESSURE FOR a general tax cut in this election year is clearly building up on Capitol Hill, with Congressmen and Senators pushing for something to sweeten the mood of the voters they will face in November.

ouse and Senate negotiators, finishing work on the controversial "windfall oil profits" tax which President Jimmy Carter proposed last April, decided this week to earmark 60 per cent of the \$227bn tax for possible use in financing income or corporation tax reductions.

he decision, which also allotted 25 per cent of the tax's proceeds to helping the poorer pay higher energy bills and 15 per cent to financing energy conservation and development programmes, is not binding, in the sense that Congress would have to pass further legislation at a later date to actually pay out the

Carter Administration officials have expressed concern at Congress's statement of intent. The President has explicitly warned against general tax relief at the moment, depite his econo-mists' prediction of a downturn in the economy this year, lest it further fuel inflation. This week, Mr. Paul Volcker, chairman of the Reserve Board supported strongly position.

Most of the prolonged disputes, first between the Administration and the Congress and now between the two branches of the legislature, has been on how to raise the tax, not how to spend it's proceeds.

This has now been largely achieved, with a compromise total of \$227m for the total tax, which the Administration has pronounced acceptable with only a few loose ends, such as whether the tax should be retroactive to January 1, 1980, still to be tied up.

The Carter Administration proposed the tax to take some of the "windfall" profits of the oil companies from decontrol ling domestic oil prices and use them to finance conservation, better public transport and to underpin the deselopment of synthetic oil and gas. While both the Administration and the U.S. oil industry are withholding public criticism until the Senate and House negotiators finalise the tax bill, neither is happy that only 15 per cent of the tax proceeds

has been earmarked for energy development. This works out at only \$34.1bn thetic fuel programme which the Carter Administration wants to get under way.

#### Ford to unveil fault details

WASHINGTON — Ford has agreed to disclose information about major engine and transmission problems and offer some reimbursement for postwarranty repairs on some 6m vehicles, the U.S. Federal Trade Commission said yesterday.

The agreement is part of a consent agreement settling General Agreement on Tariffs the FTC's two-year "piston and Trade (GATT).

scuffing " case against Ford. Canacintra as the chamber Ford has agreed to launch a campaign involving letters, direct mail and full-page magazine advertisements to alert certain vehicle owners to repair information and possible post-warranty com-pensation, the FTC said.

# UK deficit with USSR widens as imports rise

BY DAVID SATTER IN MOSCOW

Soviet Union increased 20 per cent last year to £828.9m. largely on the strength of higher prices for Soviet raw materials. The result was a drop from the 1973 total of national for construction of an further worsening of the £4231m. Overall trade Alpha-Olefins plant at Nizhnek-chronic British deficit in Soviet increased 12 per cent to a amsk and a £36m contract

Figures released by the British Embassy showed that Soviet exports to the UKmostly items such as oil, deliveries of timber. But timber, furs and industrial British exports to the Soviet diamonds—totalled £828.9m in Union continued to lag behind 1979, a 20 per cent increase over the value of Soviet exports in 1978 which was £688.2m. The value of British exports,

however, declined slightly, in spite of the effects of inflation this year, the last of the and the presence in the figures of a large value for uranium

Soviet exports were buoyed by higher prices for Soviet oil and timber and increased deliveries of timber. But British exports to the Soviet those of other Western competitors and British commercoal sources said they did not see any major contracts on the horizon for British companies present five-year plan. The £950m five-year Anglo-

routed through the UK for Soviet export credit expired

BRITISH IMPORTS from the enrichment in the Soviet with only a little more than £550m being utilised, and the British exports, which are only major contracts in the last mostly manufactured goods, 18 months have been a £50m were worth £419m, a 1 per cent deal signed by Davy Intertrade to £410m from £265m in value of £1.3bn last year com-1978. value of £1.3bn last year com-pared with £1.1bn in 1978. a glass fibre plant near Polotak.

Reuter reports from Ober-Deutsche Babcock considers Soviet orders for nuclear power plant equipment as one of the company's safest orders in spite of the international situation. Herr Hans chairman, said.

He also said he regarded any Western attempts to impose a trade embargo on the Soviet Union as the wrong instrument for solving political problems.

# Call for Britain to raise quality of goods

have to improve the quality, exports. But he added: "The marketing and delivery and main factor affecting export after-sales performance of their performance and import goods if Britain is to improve penetration is our own indusits share of world export trial performance."
markets. This was the central "Some modification" message of Lord Limerick in the be required in the BOTB's annual report of the British export support services this Overseas Trade Board (BOTB) year, in line with Government of which he is chairman.

differed from that of his pre- announcement of firm, longdecessor, Lord Catherwood, who term decisions in last year's BOTB report. Its direct of stressed that the rising value of the fiscal year, to March 31, 1980 sterling was the key source of are forecast at £28m, of which Britain's export ills.

BRITISH manufacturers will Iran and Nigeria had hurt UK

of which he is chairman. cost-cutting policies, but the Lord Limerick's statement board was still awalting

£16.2m will have been spent on The current BOTB chairman trade promotion. The Govern-said that sterling, last winter's ment has asked it "to find strikes and the engineering £2m" in outside revenue to strike of last autumn as well as offset its own costs over the

# Its direct expenditures for

# **Better incentives** for exporters urged

BY LISA WOOD

A CALL for the Government to of a high inflation rate, inintroduce new export incentives herently low levels of industrial in this year's budget has been productivity, high interest rates made by Mr. Michael Hoffman, and a strong pound partly chairman of the Perkins Engines caused by UK oil reserves. Group.

said that the Government's economic policies, combined exports of manufactured goods with Britain's unique situation are becoming increasingly unin the world economy, were competitive. Industry supports penalising the nation's most the general aims of Government stimulate exports by providing causes of low productivity. more and cheaper export credit guarantees and by introducing must be Government incentives

"There is no other industria-In an open letter to Sir lised country in the world

Geoffrey Howe, Chancellor of where all these factors occur the Exchequer, Mr. Hoffman together," claimed Mr. Hoffman. The result is that British ipanies, economic policy but we nee He asked the Chancellor to time to tackle the fundamental "During this period there

an export rebate scheme geared to reward the successful to the sterling exchange rate. exporters and ensure that we "British exporters today retain our position in world suffer the unique combination markets."

#### Ford to sell trucks to India

By Kenneth Gooding. Motor Industry Corre

FORD OF BRITAIN has reached an agreement, worth about £12m a year, to export
3,000 of its D-series, mediumweight trucks annually to
India.

This follows the recent easing of restrictions on com-mercial vehicle imports to India because local manufacturers have had difficulty keeping up with demand.

The Ford vehicles will be shipped in kd (knocked down) form for local assembly by Ford agents Simpson and Company of Madras, who will also retail

the trucks.

Most of the parts required
will be supplied initially
from the UK.

A major exception is the six-cylinder diesel engine which will be manufactured in Madras by Simpson under a licensing agreement with Perkins Engines of the UK. And progressively, more locally manufactured parts will be used.

D-series trucks are currently exported to 16 countries in kd form. In addition to the 18,000 kd units shipped each year from the Ford truck plant at Langley in the UK, some 8,000 built-up units are also exported.

 Leyland Kenya is celebrating the production of the 10,000th vehicle at its commercial vehicle assembly plant near Nairobi, which was opened in December. 1976, John Worrall writes from Nairobi. At the same e it is hlanning extensi to the plant to include the assembly of Mitsubishi oneton pick-ups, Suzuki four-wheel drive vehicles, and military Land Rovers, bringing the range of basic model types assembled from six to

# **Mexico traders oppose GATT**

BY WILLIAM CHISLETT IN MEXICO CITY

facturing Chamber, one of the country's most influential private sector bodies, has come its mind. out against Mexico joining the

Canacintra, as the chamber is called, has drawn up a study about the merits of joining GATT and believes that Mexico's membership should be put off for 20 years.

serious obstacle to the Govern- of having total independence ment's desire to join GATT. over national development."

MEXICO's National Manu- Mexico finished negotiating the and has until May 31 to make up sufficiently developed yet to

Criticism against joining GATT had died down during the past few months, but now appears to be starting again.

Sr. Juan Manuel Martinez come out against GATT.

Mexico finished negotiating the terms of its entry last November that Mexico's industrial base is greatly boost non-oil exports and withstand the inflow of imports which would result from lowering the country's protectionist barriers. It is the first private sector organisation to publicly

Gomez, the head of Canacintra. The Government favours which groups together most of GATT membership as part and Mexico's manufacturing comparcel of its plan for oil-rich membership should be put off Mexico's manufacturing compared of its plan for oil-rich panies said that joining GATT Mexico not to become just an meant "reducing the possibility oil exporting country, but to use the oil revenue to develop

A special correspondent reports from Tokyo on the potential for foreigners in a fast-growing leisure industry

# Why Japanese 'sportaholics' are worth a closer look

By John Elliott, Industrial Editor noted in a secret memorandum A DELEGATION of Japanese last spring, is a nation of 115m bankers and industrialists is to visit the UK for 10 days have followed the habits and possibilities of setting up new investment projects. tastes of the Japanese from slightly closer quarters over the Led by a representative of past few years wonder whether "sportaholics" might not have the Japanese Ministry of International Trade and

Industry (MITI), the delega-tion will meet Lord Trenchard, Minister of State been a better definition. It may be true that the Japanese still work longer hours and enjoy fewer holidays than for Industry, before a tour of Scotland, Wales, the north of their European counterparts but England and the Midlands. it is also true that the leisure They are expected to visit time they do enjoy has increased various Japanese companies steadily in the past few years which already have factories and it being used to the utmost.

in the UK, as well as seeing other businesses, including electronics establishments. Development Centre, a semi-governmental organisation, Japanese workers took an Before arriving in London on March 5, the delegation average of 82 days off in 1977 will visit Eire, a strong com-(including weekends), had inpetitor with the UK for investcreased this to 108.4 days in ment projects. 1979 and were expecting to be

Competition is specially keen for new electronics plants, and Lord Trenchard away from work for between 132 and 155 days in 1985. Statistics on how much the and his department's Inward Japanese spend on their time Investment Bureau intends to off are not quite so up to date, try to persuade the delegation but the centre estimates the that the UK is the right place leisure market worth Y5,120bn Included in the 20 people (about £924m) in 1976, as being delegation will be representa-tives of the Industrial Rank worth a prospective Y8,760hn in 1985. Where does all the of Japan, the Bank of Tokyo, money go and does any of it find its way into the pockets of the Long-Term Credit Bank, and industrialists from comforeign companies? panies such as Fujitsu and Nippon Electric.

JAPAN, the EEC Commission expenditure, which is not British included in leisure activity (because too much of it, is for worksholics living in rabbit business) there is evidence that are not the only popular sports can see that the Japanese are butches. Some of those who quite a large chunk of Japanese which can earn money for as trendy where sport is con-1978 and a lot of this went towards buying top quality gear that Western sports enthusiasts

about other aspects of life and According to Japan's Leisure for the real thing, that the most best U.S. or British made clubs

who occupy every vantage point on accessible parts of Japan's Italian Government which con-coastline or in the newer ducts a running battle with minority sports of sailing, Japan over its continued imposimountainering, skin-diving and

leisure spending does benefit foreigners in Japan. Dunlop cerned as any leisure-addicted foreigners. Sports equipment and Slazenger are brand leaders Western nation. cost the Japanese Y741.3bn in in a market where 1.9m tennis To most Japanese the ques-

a train in Tokyo and be on a to be serious is to be correctly ski slope within a couple of for high quality branded merequipped. It is noticeable on hours, boasts 792,000 sub-chandise. Goods marketed with golf courses and even on urban scribers. These, together with the hall-mark of a star perforgolf driving ranges, those hundreds of thousands of more mer's name enjoy much success, typically Japanese substitutes occasional skiers, spent Y17.2bn After sport, as means of last year on 910,000 pairs of modest performers have the skis. More than one-third of and the latest gear, complete imports generally costing more with all imaginable gimmicks. than home produced skis and tional hobbies such as flower. This phenomenon can be with France getting the lion's arrangement and the tea cere-observed also at tennis clubs, share of the business). The mony (both mainly of interest among the 13m or so anglers situation is similar with ski to women) but it is taking to

British Export Marketing preference for the "high centre in Tokyo. grade" U.S. product, and Hiking and trekking however 700,000 skate boarders, and one

To most Japanese the quesplayers buy 2.1m rackets a year tion of what to wear is all important on any leisure occasion. So it is not surprising that the might find superfluous.

The Japanese are as serious about sport, if not more so, as about sport, if not more so, as a serious about sport, if not more so, as a serious about sport, if not more so, as a serious about sport, if not more so, as a serious to be able to jump on Y107.8bn in 1978. By far the demand in greatest part of the demand is After sport, as means of satisfying the leisure aspirations of today's less work-oriented this total was imported (with Japanese, come hobbies. Japan is, of course, strong on tradiboots except that here it is the Western style hobbies with a vengeance. The Leisure Development

Japan over its continued imposi-tion of an import quota on ski markets worth Y254bn for boots. Centre's white paper reports markets worth Y254bn for musical instruments, and

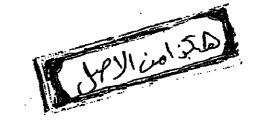
ments industries as well as the world's largest camera industry to serve a nation of fanatically keen photographers. At the top of the audio market, however, British companies nave found demand for quality items, and the merits of liford's black and white film are known to serious photographers. Finally DIY has come to stay

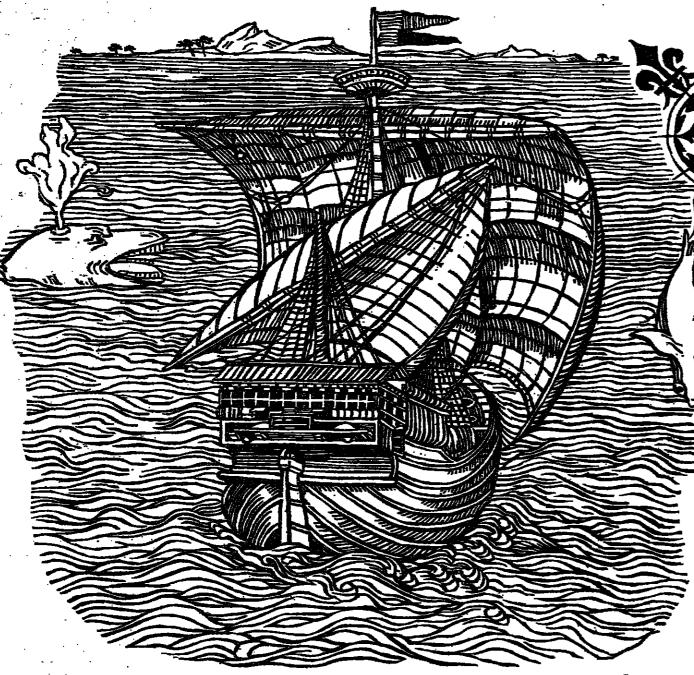
in Japan. The word itself has been absorbed and specialist centres are starting to spring up. It must be kept in mind that Japanese DIY will develop along different lines than the European and U.S. concepts since Japanese living styles are still cramped. That does not alter the fact that a DIY market of about Y140bn existed in 1977 with demand expected to reach Y194bn by 1985. About 5 per cent of DIY equipment is imported with good prospects for such varied items as fillers and sealants, model kits, art materials, wallpapers and needle work materials.

Apart from leisure proper, Japan is fertile territory for fast food chains, tourist botels deisure market worth Y5,120bn [about £924m] in 1976, as being worth a prospective Y8,760bn ing only a gentle Sunday in 1985. Where does all the money go and does any of it indicts way into the pockets of chalk up handsome orders chalk up handsome orders are leisure market worth Y5,120bn [about £924m] in 1976, as being for a major treek, although tak-brackets] instruments, and fast food chains, tourist hotels worth Y207bn for gardening (among and even British-style pubs—all medium-scale Western hobbies). Include sailing finked by the Y69bn philately can and does get involved. The medium-scale western hobbies in medium-scale Western hobbies) and which foreign business finked by the Y69bn philately can and does get involved. The money go and does any of it explains why British exporters skin diving (250,000), back of mountaineering equipment chalk up handsome orders surfing (2,000). Add to that 2m Leaving aside foreign travel whenever they appear at the Frisbie users, with a marked developed its own very competi-all concerned.



A Japanese businessman checks out some of the sports goods





# In the sixteenth century the Spanish landed in the Philippines.

On April 8th the first of our new scheduled flights to the Philippines will land in Manila.

A journey of nearly 8,000 miles that will take our comfortable, wide-bodied TriStar approximately 16½ hours.

It's a far cry from 1521 when Magellan, during the first round the world voyage, decided to drop in and visit the locals. Paradise Lost.

Magellan himself didn't last long in the Philippines.

The unfortunate fellow was

w Gli

look

killed while helping one Filipino group fight another.

But his discovery of the islands led to Spain moving in and setting up shop on a more permanent basis.

The Spaniards loved the place.

Especially the gold and silver they had seen the tribesmen wearing as jewellery.

Talk about gold fever.

They stayed on in the islands for the next 300 years. Right up until 1898 when they were finally given the heave-ho. Uncle Sam in Paradise.

Spain's hasty exit was the result of a group of Filipinos who by now were tired of the Spanish ruling their roost.

They fought alongside the Americans in the Spanish-American war of 1898, to rid themselves of their unwanted guests.

But the delight of the Filipinos at saying goodbye to the Spaniards soon dissolved when they realized the Americans had taken a fancy to the islands.

And for the next few decades they had to share

them with Uncle Sam.

To be fair though, the U.S. did help the Philippines develop into a modern nation.

They not only brought roads, railroads, schools and doctors to the islands. They also gave the people ideas about democracy.

Then, in 1941, right out of the blue, the Japanese

called by.

Paradise Regained.

The men of Japan outstayed their welcome for 3 years. Until they were finally persuaded to leave by the Americans.

At last, in 1946, the U.S. gave the Filipinos the one thing they hadn't enjoyed for many a year.

Independence.

Looking at the Philippines today it's no wonder that so many people wanted the place for themselves.

This dazzling chain of 7,107 islands stretches for over 1,000 miles in tropical seas. And is jam-

packed full of wonders.

Old Castilian towns, stunning aquamarine life and a fantastic array of exotic fruits and vegetation.

Not to mention countless sun-drenched beaches. (It's enough to give you a sun tan just thinking about it.)

Known as the Last Great Bargain of the Orient'the Philippines is also a delight for people who are weary of V.A.T. and inflation.

Manila, especially, is a treasure-trove of shops selling goods at give-away prices.

All of which is tempting in the extreme.

If you've never been to the Philippines we'd like to show it to you in all its splendour.

If you've been and are going back, be it on business or pleasure, why not be our guests.

After all, if history is anything to go by, we're going to be in the islands for a long time to come.

# Now it's our turn.



BY JOHN LLOYD

THAMES BOARD, the cardboard manufacturing subsidiary of Unilever, is to close one of its two board mills at Purfleet in August, with the loss of 800

Production at the South Mill, opened 80 years ago, is large's of corrugated board, which has suffered severe competition from cheaper kraft liner imported from the U.S. and Scandinavia. The mill has been running at a loss for some years.

Production is being consolidated in the North Mill, which employs around 750 people and produces a range of carton boards, for which the market is

Discussions have now begun with the major unions, including the Society of Graphical and Allied Trades, the Amalgamated Union of Engineering Workers and the Association of Scientific. Technical and Managerial Staffs.

Mr. John Chowcat, the ASTMS divisional officer, complained yesterday of lack of consultation, and said the union will "strain every nerve" to pro-tect its members.

He said that Unilever was relocating production "in a manner which disregards the tragic consequences for employment in South Essex."

Thames Board has recently made an £83m investment in its plant at Workington, Cumbria, which will triple its output of high-grade duplex board from 50,000 to 150,000 tonnes a year.

The company said yesterday that once a new machine had been installed later this year, some more labour would be required. It is thought some 255 jobs will be created at the plant and a further 350 in the forestry industry as a direct consequence of the expansion.

The Workington plant had a £10.5m investment grant for the project approved by the previous Government, with nearly in rates had been deferred. £20m regional aid.

cent in buyer's premium and

service by Paul Storr, was double the forecast and a

George II square salver by

Edward Cornock was also above

Shrubsole, the London dealer,

paid £9,000 for a William III

gold Irish freedom box of 1795,

Monteith bowl by Robert Tim-

estimate at £9,500.

Silver demand continues

SILVER continues in good de- antiquities published around

mand in the salerooms with 1700. Among the watercolours, Sotheby's making £236,145 at an "Fishing boats at Whitby" by

auction yesterday. The top George Weatherill sold for price of £14,000, plus 11.5 per £600.

VAT, paid for an 80-piece shares at Phillips, a 1905 Japa-

George III Coburg pattern table nese Government bond, sold in

brell and an Irish collector gave 1908 Chinese Government gold

with the arms of Earl Fitz- sold for £32,000 at a Christie's

Books from the Library of An antique Kashan Mochtashan

Lincoln's Inn made £31,278. The carpet made £8,500; a similar

volumes of Dutch books about antique Senna rug, £7,200.

£8,000 for a George III 22 carat loan bond went for £1,000.

# Statistics slim-down to cut costs, save time

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

ALL THE statistics collected by the Departments of Trade and Industry are being reviewed as a step to reducing both public expenditure and the burden of form-filling, especially for small companies.

This has been disclosed by Mr. Laurie Berman, the director of statistics for the two departments, in their weekly journal, now called

He says: "One unavoidable aspect of this review is that it will not be possible to give as much weight as previously to the statistical needs of industry. Much of the detailed information useful for industry but often not required by the Government

is expensive to collect, and in

future it will only be provided when the marginal costs are

The Government is reducing its own demands for statistical information from business wherever possible. In some cases information now collected monthly will in future be collected quarterly, some surveys will be slimmed down and others stopped altogether.

The proposed shops inquiry for 1981 has been abandoned. The small quarterly export annual inquiry into film distributors have been stopped. The short period inquiry into manufacturers' stocks, which was partly monthly and quarterly, has now been put

entirely on a quarterly basis. Mr. Berman says other

possible areas of Savings are

being urgently investigated and other statistical surveys are likely to be reduced in scope or dropped. A major saving in resources will come from restructuring the system of quarterly inquiries into manufacturers' sales con-ducted by the Business Statistics Office which are

relatively expensive to run in manpower terms. "The proposals is to reduce the number of companies covered in the inquiries by about a third by selectively raising the levels of employ ment below which companies are exempt from these inquiries. This will lead to some loss of quality and

product detail." The detailed implications are being discussed with a wide range of trade associa-

#### Strikes threat over Capital spending by industry plan to axe vehicle in 1979 shows 4% rise

last year increased by 4 per cent intentions. on the year before. Manufac turing investment changed while spending in the service and distributive indus-. tries was up 8 per cent.

Commenting on yesterday's figures, Industry Minister, Lord Trenchard, said it was "surprising and encouraging" that capital investment was holding

Manufacturing investment, however, fell sharply in the fourth quarter reflecting a gloomier economic outlook, For this year, the Industry Departing a fell in ment is forecasting a fall in manufacturing spending of 6 to

CAPITAL spending by industry latest survey of investment in retailing stocks of £181m—

A downturn in mannufacturing activity, in line with the expected recession, was also indicated by the department's figures on fourth quarter stock movements issued yesterday. Manufacturing stocks fell by

seasonally adjusted £40m at 1975 prices—caused by a reduc-tion in work in progress of about £80m—partly offset by increases of £20m in materials, fuel and finished goods stocks. The fall was the first quarterly drop since 1976. Manufacturing stocks for the year as a whole rose by £332m against £547m in

10 per cent, according to its fourth quarter was a large rise. This took investment by this

double the third quarter rise. This shows retailers are entering 1980 with excessive stocks which might reduce output of con-sumer goods later this year.

Manufacturing spending in the fourth quarter last year fell 3 per cent compared with the third quarter to £944m at 1973 the year as a whole, the volume of investment is barely changed from 1978 at an estimated

However, capital investment the distributive and service industries, excluding shipping, rose 2 per cent compared with A further feature of the the third quarter to £1.31bn.

group of industries to £5.09bn for the whole year—8 per cent up on 1978.

The marked difference in the pattern of spending between the two groups partly reflected the growth of leasing. Capital goods acquired for leasing out are mainly bought by the service industries but are used by prices, seasonally adjusted. For manufacturers. This results in an apparent switch in investment to the service industries from the manufacturing sector. Making allowance for asset leased from the service sector the department estimates that manufacturing investment last year, instead of remaining unchanged from 1978, rose about 1.3 per cent.

#### Mortgage queue 'almost gone' 'Yankees'

BY RAY MAUGHAN

largest building society, the queue for mortgages had virtually disappeared.

Sir Raymond Potter said the north-east and Scotland were exceptions to this trend. He felt 17.7 per cent, marginally down was too early to say whether high interest rates were deterring would be purchases but the society's hopes for an early fall

"Fishing boats at Whilby" by

In the sale of bonds and

SALEROOM

BY ANTONY THORNCROFT

Germany, made £2,100 and a

An antique silk Heriz carpet

sale of Eastern rugs and carpets.

best price was the £3,900 for 78 prayer carpet, £7,500, and an wireless through-water com-

THE CHAIRMAN of Britain's expects to increase its lending the ratio of withdrawals to reby around 10 per cent this year. ceipts was very much in line Halifax, said yesterday that the It had advanced £1.82bn in 1979 with the average of the past few against lending of £1.65bn in the years at 70 per cent. The conseprevious year, and the society quent net investing has started this year with a record £1.29bn. reasonably strong liquidity of from the December 1978 level of 18.2 per cent.

per cent, an increase of more old accounted for 25.6 per cent Sir Raymond said the Halifax' than £4m each working day, and against 22.8 per cent.

revealed their code of prac-

It was produced after con-

panies, Government depart-

ments and oilfield operators and

follows the recent deaths of

four divers in two diving bell

The instructions in the code

relate to adequate amounts of

breathing gas necessary while

a bell which has lost its gas supply is being recovered, and

the maintenance of necessary

bells will be equipped with

It also states that all diving UK

warmth in a bell for 24 hours.

accidents in the North Sea.

datory on all its members.

tice for emergency diving bell diving bell.
recovery which will be man-

sultation between diving com- means of reco

Diving bell safety code

THE Association of Offshore hard wire system. A means

Diving Contractors yesterday must be provided to locate

munications in addition to their diving bell safety frequency.

quent net investment inflow was

The number of new mort gages granted last year fell by 3,300 to 146,400. Lending to first time buyers fell by one The society's assets grew by point to 46 per cent of the total 17.6 per cent last year to £8.94bn but borrowers under 25 years

accurately the position of a lost

ballast weights must meet legal

requirements. An additional

corporated in the bell's retrieval

system. All bells must have

external weights which, when

released, make the bell posi-

tors and acoustic equipment manufacturers in Aberdeen yes-

terday agreed that a new safety

frequency for diving bells would

Commander Jack Warner.

UK chief diving instructor, said the new frequency may well

be accepted as an international

A meeting of diving contrac-

tively buoyant.

be 37.5 kilohertz.

Bells with lift wires and

# investment potential

UK PENSION fund managers should consider investing some of their funds in the U.S. dollar bond market, said Mr. Roger Freeman, London partner of the Kuhn Loeb Lehman Brothers, a major U.S. investing bank.

There could be occasions when the interest differential between UK and U.S. fixedinterest stocks of the same maturity might be worth considering after allowing for currency translations and the exchange risk, he said.

In particular, fund managers should look closely at UK Government "Yankee" bonds —the Government's dollar-There were occasions when an equivalent UK gilt might not yield as much as a similar UK

Addressing the National Association of Pension Funds investment conference in Eastbourne, Mr. Freeman said another reason for investment in this market was to offset the risks in parallel sterling-dollar swaps which had been taken out by many funds to finance property investment during the late

60s and early 70s.
One way of minimising currency risk was to buy a Yankee bond maturing on the same day as the swap.

#### licensing offices BY NICK GARNETT. THE GOVERNMENT intends to the great bulk of renewal re reduce the number of local minder work.

Driver and Vehicle Licensing loss of 1,000 jobs as part of its general cost-cutting exercise.

The Department of Transport said yesterday the proposals were being put to the unions but the Civil and Public Services Association accused the Government of failing to consult or even advise it of the

It warned of probable industrial action in licensing offices and at the licensing centre in Swansea. This action could start with one-day walk-outs from today.

cover the period up to 1982, with the transfer of work to this year.

Already 2,000 post offices handle three quarters of vehicle post offices will be dealing with trusted.

For the time being pos Offices from 31 to 50 with the offices will not handle first registration work, applications for heavy goods vehicle licences and postal applications from the London area.

Mr. Norman Fowler, the Transport Minister, announced in the House of Commons in November that 400 administrative posts in vehicle and driver licensing had already been lost and that savings of a further 1,000 jobs had been identified. office closures apply to those jobs.

The CPSA said Mr. Fowler had promised to consult the unions but had failed to do so The closure programme is to and information about the proposals had simply trickled out. Some areas particularly Scotpost offices beginning in June land and the north, where there was high unemployment, would

be badly affected. Mr. Peter Thomason, union licence renewals and the inten- national officer, said the tion is to increase the number minister had broken a promise to 3,000. By October next year to staff and could not be

## Mirror man is named as top journalist

FINANCIAL TIMES REPORTER

IOHN PILGER of the Daily Mirror has been named Journalist of the Year in the 1979 British Press Awards for his reports from Cambodla. He will receive a prize of £1,000.

Melanie Phillips, social services correspondent of The Guardian, is named at Reporter of the Year for her interpreta-tion of how Whitehall policies affect the public. She and the winners of all other categories will receive £250. The award for In

Reporter of the Year goes to Robert Fisk of The Times for his despatches from Iran. Peter Browne, of the Chronicle and Echo, Northampton, is named Provincial Journalist of the Year for his reports on Northampton schools. Steve Latter of the Buckinghamshire Advertiser gets the Young Journalist award for his reports on the routing of the M25 motorway through his locality. The Specialist Writer of the

pondent of the Daily Mail, principally for his series on NATO's preparedness. The John Arlott of The Guardian. Sam White of the Evening Standard—" in a class of his

own "-is named as Columnist

of the year. Anthony Burgess of The Observer is Critic of the John McCririck of The Sporting Life is named as Campaigning Journalist of the Year for his exposure of after-time bet-

award of £250 goes to David Leigh of The Guardian for his reports on jury-vetting and tion. telephone-tapping.
Graham Wood of the Daily Mail is Photographer of the Year and Kent Gavin News Photographer of the Year. The contest is organised by Mirror Group Newspapers in collaboration with a number of other newspapers, among them The Financial Times. Mrs. Margaret Thatcher will present

# Westland may enter civil market

BY LYNTON McLAIN

WESTLAND HELICOPTERS, a subsidiary of Westland Aircraft and Britain's only military helicopter manufacturer, may enter the civil helicopter market.

Westland Aircraft's board is expected to take a decision soon, perhaps in the next six months. Any move into the civil helicopter market would bring Westland into direct competition with a number of established civil helicopter manufacturers including Sikorsky, Bell, Hughes and Boeing of the U.S., Aerospatiale of France, Agusta of Italy and NBB of West Germany.

An attempt to capture part of the civil market for helicopters would also radically change the nature of aerospace production work at the company's factories.

The civil market demands low cost products produced in high volumes, in contrast to the low volume, high cost of the military helicopters the company has specialised in, to its cost in 1978, when helicopter production lost the company

The loss contributed to an overall loss for Westland Aircraft of £2.85m, and has been attributed largely to uneconomic fixed price contracts with Britain's Defence Ministry for the supply of Lynx helicopters,

The most likely project to launch Westland Aucrain into the civil helicopter market is the WG.30 transport and utility helicopter. This is a privately funded development of the military Lynx and was flown for the first time on April 10 last year, ahead of schedule. Westland Helicopters' has so far invested over £10m in its development.

The helicopter is designed primarily for military transport, but is understood to be able to carry between 17 passengers and 22 passengers in the civil

Two prototypes have been built and flown. Westland Helicopters has also started work on a production batch of approximately 20 WG30s. Sports Journalist award goes to although the company has won no orders. The implication is that the company is building for stock, in the hope that it will readily establish itself as able to deliver on time, if and when it enters the civil market. The production models are expected to be available for customers from 1982.

The company is also still working on the WG34 replacement for the Sea King military helicopter, made under licence from the U.S. Sikorsky corpora-

currently being funded by the Defence Ministry and £10m is expected to have been spent by the time the initial project is finished at the end of April. Westland Relicopters has had "extensive discussions"—which are still proceeding—with the Augusta Company of Italy for a joint collaboration on the WGM programme.
Annual meeting, Page 18

#### ■ NEWS ANALYSIS—CONTRACTING PLASTICS

Year award goes to Angus the awards at the Savoy Hotel MacPherson, defence corres- on April 16.

# One cut that may herald many more in period of painful rationalisation

Plastics, part of the Courtaulds group, to cut production and halve the work force at its Leicester factory could be the first of many similar moves by makers of packaging film and

The industry seems set for a period of painful rationalisation. The main reasons, those given by HJB for reducing its own operations at Leicester, are spiralling costs, weak prices, strong competition from cheap imports, and fall in demand.

This last is a sign that the much-heralded economic downturn in the West has begun. Polyethylene film-makers can normally rely on business building up steadily from the end of the summer as, retailers prepare for what they hope will be a Christmas shopping bonanza.

Last year the upsurge in orders failed to materialise. In the first two months of this year there has been no compensating rise in sales. It is not that consumer goods

manufacturers have stopped prepackaging their products, nor retailers deciding to do without bags to give their customers. It is simply that fewer feedstock used to make LDPE shoppers are willing to pay 3p Dearer naphtha enabled for a carrier bag and anyway LDPE producers like ICI and tors. some retailers are experiencing Shell Chemicals UK to put up

smaller, less robust producers.

poor sales which means there is lower demand for plastic bags they and sheets of film. The fall in years. consumer demand has coincided with a dramatic increase in raw The Packaging and Industrial

they had suffered for several Film Association says that the in the second quarter than now.

The cost of the LDPE, low- prices last year which means form. density polyethylene granules the granules have hit the fan that makers of plastic film and bags use as a raw material bag manufacturers.

usually accounts for about
for every fin 1978 LDPE granules could
be bought for £260 a tonne.
Today they cost well over £600.
LDPE prices have risen by
16 per cent this year.
The rises were caused largely

bag manufacturers.
The industry is fragmented and includes a good many very small operations. Many companies have responded to the fall in demand by keeping their own prices down to keep volume up. As a result, the entire industry has experienced

This increase takes Shell Chemicals' general-purpose

grade polypropylene from

£500 to £550 a tonne. The

copolymer grade will go from about £545 to £600.

cost of crude oil and petro-chemical feedstocks."

The company said the increase meant only a partial

Imperial Chemical Industries

is known to be looking for

recovery of these costs."

The reason given is " rising

Price rise of 10% soon

Shell Chemicals plans to increase the price of its polypropylene plastic material by 10 per cent from the beginning of next month. Yesterday the group warned that further price rises " must be expected."

Polypropylene is probably

the most versatile of plastic materials. It is used to make bottles, domestic utensils, crates, brush bristles, moulded plastic car parts specialised packaging film transparency important.

carrier hags and smaller counter by the oil crisis, with its dearer enormous difficulty in passing crude and pahtha, the oil-based on its raw material cost increases to customers. This has aided its competiprices and improve low margins

> it seems likelly that naphtha high-density polyethylene. contract prices will be lower

higher polypropylene prices, and is thought likely to raise

Competition is from three main sources: foreign pro-ducers; bags and wrappings from traditional materials such The spot market price of as paper; and packaging of naphtha has started to fall, and other plastic materials, notably

coincidence amounted to a But plastic material pro- than LDPE. Its use in packag- "formula for disaster" for many ducers are determined to main- ing is limited because it cannot tain the headway made on their be produced in a transparent

material.

This means that far more

plastic bags can be made from

tonne of LDPE, and though thinner, they are as strong as those made from low density. The film-packaging industry has always relied on LDPE as a raw material because of comparative cheapness and transparency. Now HDPE becomes far more attractive for opaque items such as bin-liners, refuse sacks and carrier bags.

switch from one type of plastic to another, because HDPE film requires a completely different

At present domestic pro-ducers of HDPE film cannot simply switch from one type of plastic to another, because HDPE film requires a com-

pletely different technology. At present domestic pro-ducers of HDPE film cannot meet the total UK demand for it. The door is therefore open for imports.

Most British packaging filmmakers produce a wide range of goods. On the Continent they tend to specialise far more. This has helped make them more efficient and enable them

to keep prices down. Traditional materials, particu-

larly paper, are also making inroads. Overall, the outlook for UK manufacturers is bleak. Many

may be forced out of business, or reduce capacity and John. While the next few years are almost certain to be tough for the plastic film and bag indus-High-density polyethylene, the plastic film and hag indus-HDPE costs more per tonne try, it may wall emerge from than LDPE. Its use in package them in much better shape. try, it may wall emerge from without some smaller and less

# EACH WEEK, PAN AM FLIES TO THESE 7 IMPORTANT **AMERICAN CITIES ON THESE** 7 IMPORTANT DAYS.

From London to	Leave	Arrive	Notes
New York	1100	1335	-
	1400	1635	•
Henolulu	1440	2350	Connection via Los Angeles
Houston	1400	2135	_
Los Angeles	1440	1745	i
Mami	1115	1525	i
San Francisco	1210	1510	Wed Fri Sun
	1210	1733	Mem Tue Thu Sat
Washington	11100	1655	Mon Tue
	1325	1645	Wed/Thu/Fri/Sat/Son
"Also Detroit	1100	1725	Wed Thu/Fri/Sat/Sun
Scattle	1210	1350	Mon. Tue/Thu. Sat

Effective 16th March all departures from London are one hour later. For most business travellers, the cities in the panel are the most important

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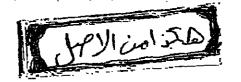
And now we're even more flexible. Because National Airlines is now part of Pan Am's world, we can offer you a non-stop flight to Miami plus the whole of National's enormous network of

destinations within the United States. That means a lot more American cities are now open for business. So choose your city. Choose your

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# NCR means computer people who have the measure of your business.

When you choose a computer system, you run the risk of being sold one that doesn't exactly fit your needs. Sometimes, computer salesmen are content to sell you a computer system that only roughly approximates to what you're looking for.

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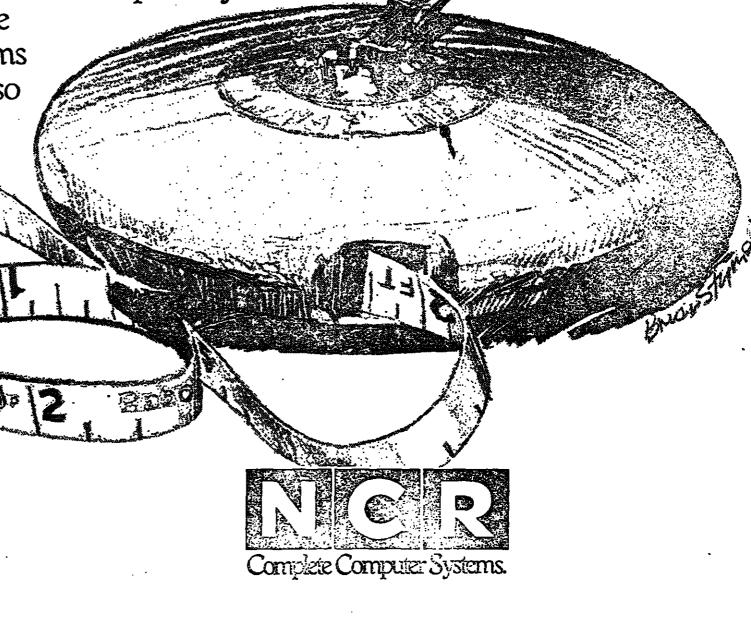
NCR insists their personnel are not only familiar with computer systems and their applications, but that they also possess a profound knowledge of the

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# Tesco looks to U.S. for long-term growth

THE TESCO stores group is in spite of the little overall tion. It is probably prepared to pressing ahead with plans to market growth in the 1980s. But spend up to £70m on the right expand into U.S. retailing. Mr. it is concerned that its success Leslie Porter, Tesco's chairman, may eventually lead to some said yesterday that the company Government intervention under the problems faced by other UK was carrying out a feasibility the anti-monopoly laws. Al- retailers, such as Mothercare, in study with the aid of manage- though Tesco has only just the U.S. market. It has therement consultants into likely under 15 per cent of the total fore embarked on a comprehentakeover prospects.

the past two years of its intention to expand into the U.S. market but so far it has failed to come up with a suitable take-

Tesco, heavily involved in the High Street price war of the past two years, is now considering a new store investment programme as well as introducing new electronic checkout technology, but it still believes that U.S. expansion offers the best means for long-term growth.

ability to increase further its of 50,000 sq ft each and close smaller U.K. stores to finance share of the UK grocery market to growing centres of popula-

grocery market, in some regions sive, state-by-state search to

Tesco also believes that its professional management style developed during the 1970s is companies are in financial diffi- the U.S. companies are in management of the collision of the colli U.S. market through acquisi- problem is that it is already

dominant position.

Tesco is understood to be neans for long-term growth. looking for a U.S. grocery
Tesco is confident in its retailer with up to 100 outlets

acquisition.

Tesco has made no secret for it is already moving close to a find a grocery chain with longterm prospects.

A similar cautious approach using management consultants was adopted by the Imperial ideally suited to the American Group before it decided to market. The U.S. grocery trade acquire the Howard Johnson is fragmented and a number of hotel and restaurant chain in

> becoming financially stretched meet its new superstore building programme. It may be forced to sell even more of its

# Nuclear drilling 'for research'

mean that they would be used

at Harwell, Dr. Lewis Roberts, stable geological formations in said that a Government research posal was not yet far advanced enough for any site in Britain to be considered.

He told the inquiry into the that 15 areas throughout Britain re-processing plant. drilling of test bores at Loch have been identified as suitable Doon in the Galloway Hills of for similar testing, is into an South-West Scotland that the appeal by the UK Atomic a vitrification process that area was one of a number Energy Authority against the would convert the waste into a where drilling could provide refusal of the Kyle and Carrick glassy solid for greater safety useful information.

He said there was no reason to sink 32 test bores in the hills why granting planning permission for drilling should be assosion for drilling should be asso-ciated with the possible disposal accepted that the country round

"Since it is Government recreational area but the drillpolicy that research should take ing would have a "minimal place into the options for diseffect" on the environment and for that purpose, a public posing of the high-level nuclear no ratinguity was told yesterday.

The head of the Atomic interest that the process of ment.

Energy Research Establishment gathering information about He posing of the high-level nuclear no radioactive waste would be waste . . . it is in the public buried as part of the experi-

He said research would take about 10 years—and a further 10 years would be needed for various parts of the UK should programme into possible be undertaken at many appro- the development of demonstra-methods of nuclear waste dis- priate sites" Dr. Roberts told tion repositories for nuclear the third day of the inquiry, at waste.

High-level wastes were at pre-Ayr.
The inquiry, which has heard sent stored at the Windscale Dr. Roberts said work had District Council to allow them and ease of disposal.

# **'Pioneer BNOC**

Financial Times Reporter

MALCOLM British National Oil Corporation's new head of exploration and production, said yesterday he hoped the State corporation would take on a oneering role in the North

It was important for a British national oil undertaking to to be a good pathfinder. He saw the corporation leading in the North Sea on at least three fronts:

 BNOC should be willing to try new technology, particu-larly British technology. where other companies might be more inclined to stay with established techniques. "The last thing that any oil developer wants to use is something regarded as a prototype."

It should play a leading

role in opening up new ex-ploration areas. A start had already been made, BNOC was to be the operator of a well in almost 4,300 feet of water on the edge of the Rockall Trough to the north-west of the Hebrides, which would be one of the deepest and most expensive wells ever drilled offshore.

• Mr. Ford also saw BNOC playing a leading role in the development of a North Sea gas gathering pipeline network, a scheme which is likely to cost at least £3bn, including an associated petrochemical complex.

The corporation might also want to become involved in chemical manufacturing. Mr. Ford, 54, is deputy managing director of Shell UK Exploration and Production, but will shortly retire to become a full time board member of BNOC. He will be in charge of exploration, pro-

duction and construction.

# Gas gathering role' for system planned for N. Sea

BY RAY DAFTER, ENERGY EDITOR

A £3BN North Sea gas pipeline near Peterhead, where there network and an associated are gas reception terminals petrochemical complex will al serving the Frigg and Brent most certainly get Government fields. British Gas would extract go-ahead this summer.

A British Gas Corporation and Mobil joint study team are finishing a report that will be submitted to the Emergy Department next month.

Preliminary reports indicate enough gas in at least 12 fields to justify the construction of a 400-mile pipeline linking reser-voirs as far north as Magnus and as far south as the British National Oil Corporation's unnamed discovery in block 30/17b, BNOC and its partners, Shell and Exxon, are aiready preparing to develop this rese voir—a further indication that an early start is to be made on gas gathering.

It is understood that the Government is auxious to have the pipeline system in operation by 1984/85—a tight schedule for such an ambitious offshore

While it has still to decide on financing arrangements, Energy Department ministers expect the formation of a new consortium of gas producers— such as Mobil, Shell, BP and BNOC-and gas users. It seems almost certain that British Gas will invest in the project.

Chemical companies relying on gas for manufacturing processes may also be invited to join. These would include Imperial Chemical Industries, already a major customer British Gas, and Dow Chemical which is planning a new gasbased petrochemicals complex on Cromarty Firth. The new gas gathering system

aged by preliminary reports from the study team said: "The report will confirm that there fields for us to proceed with a viable gathering system." Behind that statement lies a good deal of political and economic manoeuvring involv-

keeping with its exploration policy, the Government has-

already begun to look at plans

butane would be sent by pipe

chemicals site.

energy consumers, among them Germany, France, Denmark and Sweden.

PETROCHEMICALS SITE PEATRICE the natural methane gas used for heating-and other gases such as propane, ethane and line to the Cromarty Firth Scotlan Unconfirmed reports suggest that the initial dozen fields in the system could contain 400bn Basin REITHER cubic metres. This is more than the proven gas reserves in all the fields in the southern basin of the North\_Sea. Furthermore, as the Mobil/ British Gas report will point out, the amount of gas that could be fed through the new wegian/UK pipeline network • The timing of the projects

that would carry the big Anglo/ could be crucial. line could be significantly minal. The Norwegian Governincreased as further fields are ment is considering its armound. Exploration assistance. Norwegian Statfjord Field gas found. Exploration activity in separate pipeline linking Stat-the northern part of the North, fjord, with other Norwegian Sea—in the vicinity of the pro- discoveries, including Shell's posed pipeline—will be boosted find on Norwegian block 31/2.

> landed on the Continent-possibly in Germany. It is under They feel there should be a stood that some West German unified field-wide plan. bidders have even offered to pay The degree of UK/Norfor the pipeline.

for an eighth round of licences.
Mr. Hamish Gray, Energy
Minister, who has been encourwill be sufficient gas in the 12' debate are three main negotiating points:

• The price of the gas collected by the new pipeline systems: British Gas is said to have said, however, that the Corpora-Germany, France, Denmark tion would be willing to pay and Sweden.

Britain would like to see the reflect the premium qualities of

said the Government would like the gathering system to be in operation by the mid-1980s. Without an agreement with the Norwegians the UK consortium could begin exploiting gas in the 16 per cent British portion of the Statijord Field. The under the terms of the seventh The Norwegian block of the Statistical Flan. The Norwegians are being Norwegians, undecided on round of licences, to be encouraged in this plan by their own pipeline plans, are announced shortly. And in several European countries known to be concerned about keeping with its exploration which would like to see the gas UK Statistical gas being exknown to be concerned about UK Statfjord gas being ex-ploited before Norwegian gas. They feel there should be a

wegian integration has also to UK and Norwegian discus be settled Mr. Gray feels that sions are to continue this UK and Norwegian pipelines summer. At the heart of the should be linked. This would add to the flexibility of North Sea gas collection.
With this in mind, the UK

Energy Department has said they would consider the coneconomic manoeuvring involvoffered lower prices for the struction of a new gas pipeline
ing the UK, Norway and a Norwegian gas than potential link between southern England
number of major European Continental buyers. Mr. Gray and the Continent. In this way some, or all, of the Norwegian gas could be transmitted through the British Gas distribution system and sent on to Continental gas users.

The WDA's own full account of what happened is to be pub-

DIRECTOR JOINED GELATINE COMPANY AFTER £2m STATE INVESTMENT

will probably land at St. Fergus, construction of a joint Nor-

## Monetary policy probe

ALL-PARTY Treasury and Civil Service Committee is in yesterday's Financial Times, to undertake a major inquiry summarised Sir Geoffrey's view into monetary policy, probably about the ways in which a lasting from May until about tight monetary policy affects

the end of this year. The committee, chaired by Mr. Edward du Cann, the Conservative MP for Taunton, is expected to look into the statistical evidence for the differing views of economists about the appropriate role of monetary policy.

Telephone and Telegraph and Western Union, the U.S. comstudies for the National AeroHis letter of reply, reported

But a number of MPs on the committee are believed to have been disappointed that Sir Geoffrey's reply did not supporting

As a prelude, the committee is likely to be interested in sought answers about a number looking at the subject in more of aspects of monetary policy depth, drawing on evidence Last week, the company from Sir Geoffrey Howe, the from complicated econometric crashed into receivership, start-

#### Satellite use growth BY ELAINE WILLIAMS

SATELLITE communication the major use of satellites. will grow five-fold by the year NASA is researching the use 2000 according to two U.S. of extremely high radio frequent

panies which carried out the telephone calls will force telenautics and Space Administra-tion (NASA), said that tele-thousands of calls simulphone conversations would be taneously.

the inflation rate.

evidence for his beliefs.

Consequently, the committee models of the ecnoomy.

cies, so far unused, for satellity communications. It believe demand for more long-distance phone authorities to use satel-

"What's it worth?"

#### Development agency under fire over Leiner crash TWELVE MONTHS ago the their gelatine factory on the Welsh Development Agency, Treforest Estate in 1937 after Wales' equivalent of the Nat- fleeing Nazi persecution. The ional Enterprise Board, an company came to enjoy a high nounced a £2m capital injection reputation locally as a good eminto P. Leiner and Sons, a ployer and received three

with overseas subsidiaries. The investment, the agency's was "to support a substantial capital expenditure programme designed to maintain competi-

(Leiner's) position among the world's leading gelatine manufacturers." Last week, the company and investment policies of the

executive. Mr. Loveland was the agency's investment director at the time the £2m deal was first discussed. The WDA has already come under fire from Labour MPs for allegedly forcing Leiner into receivership and putting its own investment and 380 jobs at the Treforest Estate factory at risk. There have been calls for a full

The Leiner family established

privately-owned South Wales- Queen's awards for export based, gelatine manufacturer achievement during the 1970s.

Gelatine production is a highly specialised business, which has biggest in any single company, traditionally been in the hands of a small number of manufacturers. Usually extracted from bones, gelatine is used for a tiveness and consolidate its variety of purposes in the food processing, pharmaceutical and photographic industries.

crashed into receivership, start. buoyant, and the industry be- WDA for financial aid. By "Every time we did some- shareholding, leaving the WDA ing questions over both the role gan to attract wider attention. October, after investigating the thing to try to mantain our as owners of the company. Big profits looked possible from WDA, and the position of Mr. the turning of a low-value Jack Loveland, Leiner's chief tens of pounds into a high-value scientific product worth hundreds or thousands οf pounds.

Leiner embarked on an expansion <u>ambitious</u> gramme. It set up companies in Brazil, Ethiopia and Pakistan and increased exports to more than 70 countries.

At Treforest, over £5m was spent on new plant and machinery, with substantial Government support.

In 1975-76 regional develop-ment grants totalling £97,705 were contributed to investments of £330,000. In 1976-77, regional grants of £556,378 were paid towards a total investment of £2.027.000 In 1977-78 regional grants of £360,031 on £2,495,000 were

into last year when substantial losses began. In addition, in November, Mr. Loveland says his im-1976, Leiner received a £550,000 mediate task was to draw up Welsh Office loan towards the a modernisation of its factory.

paid. The investment continued

a market plagued by over-capacity, rising costs (gelatine manufacture is energy intensive), falling prices and, against most expectations, falling sales in some areas of use.

On top of this in the second half of 1978 came the slow rise in the value of the pound, which Brit hit Leiner's important North American sales. The company plunged into financial difficul-

In September, 1978, In the early 1970s prices were Leiner board approached the company's position the agency indicated it was prepared to help. One condition was a new chief executive. The directors decided they wanted Mr. Jack Loveland, the agency's investment director,

> Both he and Mr. Ian Gray, the agency's managing director. emphasise that from that point, Mr. Loveland took no further part in the negotiations with Leiner.

At its December, 1978, meet-

ing the WDA board agreed to invest £1m in the company's ordinary stock, giving the agency a 22.2 per cent stake, and film in preferential shares. On February 2 last year, the shares were formally allotted. On the same day, Mr. Loveland nominally joined Leiner's board to meet the agency's requirement. But it was not until June 1 that he cleared out his desk at the WDA's headquarters and moved over the road to the

Leiner factory. Mr. Loveland says his imretrenchment programme, which included some redun-According to the Welsh Office, dancies. This was presented to £50,000 of this sum is still owed, the company's banker, Barclays, with the final instalment due and the agency in September. and he says, agreed. But within But Leiner was also facing a month world market prices for increasingly stiff competition. gelatine had fallen by more than New capacity was springing up 20 per cent.

in other parts of Europe and in the developing world. Leiner the market was being increasposition. The Treforest encaptisely suppliers led by Rousselot, the a market plagued by overcapacity, rising costs (gelatine plant in market plagued by overcapacity, rising costs (gelatine plant in market plagued by overcapacity, rising costs (gelatine plant in market was being increasposition. The Treforest encaption of the collapse in the market was being increasposition. The Treforest encaption of the collapse in the market was being increasposition. The Treforest encaption of the collapse in the market was being increasposition. The Treforest encaption of the collapse in the market was being increasposition. The Treforest encaption of the collapse in the market was being increasposition. The Treforest encaption of the collapse in the market was being increasposition. The Treforest encaption of the collapse in the market was being increasposition. The Treforest encaption of the collapse in the market was being increasposition. The Treforest encaption of the collapse in the market was being increasposition. The Treforest encaption of the collapse in the market was being increasposition. The Treforest encaption of the collapse in the market was being increasposition. The Treforest encaption of the collapse in the market was being increasposition. The Treforest encaption of the collapse in the market was being increasposition. The Treforest encaption of the collapse in the market was being increasposition. The Treforest encaption of the collapse in the market was being increasposition. The Treforest encaption of the collapse in the market was being increasposition. The Treforest encaption of the collapse in the market was being increasposition. The Treforest encaption of the collapse in the market was being increasposition. The Treforest encaption of the collapse in the market was being increasposition. The Treforest encaption of the collapse in the market was being increasposition. state owned Elf-Aquitaine oil group, were, Mr. Loveland says, Romania, giving a £1m profit of service charges. selling at between £1,000 and over the next 18 months, was The WDA's own £1,500 a tonne. Leiner's produc- concluded. tion cost was around £2,000 a

British users were so concerned, according to Mr.

Loveland, that they were prepared to pay a £50 a tonne structed.

Side of the business, where within the agency that both it company and the bank were pressing the company from September onwards to reduce its accumulating debts and to move premium over world prices to

industry. went down £100." Just before was sufficiently interested to

to build a gelatine plant in into receivership over the issue And the photographic gelatine lished shortly. It is stressed

side of the business, where within the agency that both it The Leiner family accepted towards an accommodation with

try to preserve the home this plan, though it required Crods to maintain the core of industry.

The preserve the home this plan, though it required a home gelatine industry. market share, the world price Barclays, Mr. Loveland says,

from cheap imports. They knew Leiner's indebtedness was increasing, but this was reluctantly accepted because of the possibility of a

Croda merger.

The risk of the £2m investment, the WDA says, was recognised at the outset. But, on information available at the time, it seemed reasonable.
With gelatine manufacture sucha specialist industry, there were this instance, no independent

consultant was available. That said, the agency's readwhich Leiner had consistently invested its way out of trouble.

Perhaps the most significant aspect of the affair, however, is that as the dispute was pro-ceding. Leiner's rivals were descending on Treforest this week to examine potential pickings at knockdown prices. One Leiner director ruefully remembers a Rousselot executive confiding last year that France was

#### Report by Robin Reeves, Welsh Correspondent

the collapse, home producers agree to an independent were reckoned to have only evaluation of the package, and, about half the UK market in the meantime, to pay £30,000 assessment problems, it is against a traditional share of a week to the WDA at least admitted. The agency frequently **20** to 90 per cent.

competitor, Croda International. Estate. Croda has been experiencing problems in the gelatine field, owed over £1m for those with 150 jobs due to be axed services and, Mr. Loveland next month. But the company is cushioned financially by its diverse activities. Sir Frederick Wood, its chair-

man, calls Britain the "cockpit of the gelatine battle." But he

By January, according to Mr. Leiner-to request a receiver.

Loveland, Leiner had embarked "The timing was insane." M on a fresh effort to ease its in- Loveland said.

until the end of February, for calls in outside consultants to services it provides to Leiner, examine market prospects. In In a second effort, Leiner held services it provides to Leiner, what it insists were serious such as electricity and water, merger talks with its main UK as landlord of the Treforest

The Agency was already claims, it wanted £500,000 of the cash from the encapsulation plant sale as part payment of the debt, The bank would not agree

of the gelatine battle." But he because the plant was part of says there were no serious talks the security for Leiner's with Leiner. The possibility of security. According to Mr. Lovea merger had been aired on and land, the agency told him on off for several years, but, with the morning of February 12 each company traditionally hold that, unless Leiner made this ing around 40 per cent of the commitment by 4 pm it would UK gelatine market there were cut off the services to the possible Monopolies Commission factory. Under these circumstances, the bank advised

"The timing was insane," Mr.

ing of the company's performance over the years gave a picture of a cyclical market, in and made enough profits in good times to cover the bad. The agency also refutes suggestions that there was political pressure.

determined to export its unem-



Many companies don't know what their plant and machinery is worth. Mony more think they know, but get it wrong. So they're undervalued—a potentially disastrous state of affairs, if for example fire strikes.

Few firms will handle plant and machinery valuations, which can be complex and highly specialised-Fuller Peiser is one of the few.

We carry out complete valuations for insurance, balance sheet and sale. The figures are different in each case. and are changing rapidly in today's economic climate.

If your firm hasn't had a valuation recently, you can be sure that it's high time to take action—Better to find out

before rather than after the fire. If you'd like to know more about us and the ways in which we can help, further details are available from the Senior Partner, Mr J. E.G. Peiser, FRICS at the address below.



Professional property advisers to industry and commerce

#### APPOINTMENTS

# Changes at Bowring companies

C. T. BOWRING AND CO. has christian Salvesen (Food Sermade the following appointments: C. T. Bowring and Co. Persson and Mr. H. Molin have (Insurance)—Mr. J. R. Andrews, been appointed to the Boards of an associate director. The Mr. R. P. de L. Cazenove, Mr. R. JACKSTONE-FROSTER and its Chiverrell, Mr. A. Douglas, Mr. Subsidiary Torbinia, Mr. F. directors, maintaining their pressure and Mr. R. Newman, Fenner, already a director of Stewart-Brown, and Mr. P. J. C. appointed to the Board of Torvices; Reading branch manager; Wr. R. Lackstrone-Froster, has been suppointed to the Board of Torvices; Reading branch manager; Mr. R. Taylor, security executive Mr. J. Nightingale, Mr. B. T. Stewart-Brown, and Mr. P. J. C. Viccars become directors; C. T. Bowring and Layborn-Mr. C. McGarriale is made a director; C. T. Bowring (Insurance) Holdongs-Mr. L. P. Rose has been appointed deputy chief accountant; C. T. Bowring and Co. (Insurance)—Mr. B. A. Udell comes chief accountant; C. T. Bowring (UK)-Mr. J. C. Hills is made chief accountant.

Mr. P. M. Wreford has been appointed a director of SELEC-TION TRUST. He is managing director of Seitrast Holdings and chairman of its operating sub-sidiary, Seltrust Mining Cor-poration Pty. Mr. Wreford joined the Selection Trust Group poration Pty. Mr. Wreford and carry wholesalers, has joined the Selection Trust Group appointed Mr. D. C. Poole as a chief executive officer in marketing director. He has been Australia in 1971.

The steel division of Johnson and Firth Brown is forming a new company, JFB TECHNO-LOGY INTERNATIONAL to market, world-wide expertise in a range of technology related to steel and other alloys, forged and cast rolls and metal processing. Chairman of the new company will be Mr. P. Fox, a director of the JFB steel division, and the managing director will be Dr. G. Lucas, latterly sales director of Firth Brown.

NURDIN AND PEACOCK, cash

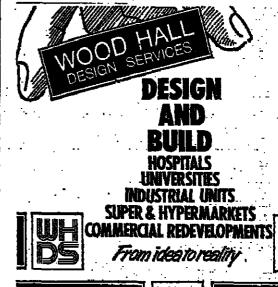
\* Mr. A. A. S. Stewart; the Savill who, as director and secre-Following Frigoscandia's acqui- financial director of John tary, will continue the duties of sition of Jackstone-Froster from Menzies (Holdings), has joined the former director general.

The second secon

Mr. R. Taylor, security executive and Mr. S. R. Williams, Dagenham branch manager.

DIXONS PHOTOGRAPHIC (UK) has appointed Mr. Eddie Dayan as marketing director from March 3. He joins Dixons from Yardley of London where he had been marketing director since Angust 1977. Prior to that he spent six years with Beechams Foods, latterly as marketing director.

After two years' secondment to the British Railway Industry
Export Group (BRIEX), director
general Mr. F. H. Beasant is to return to BRUSH ELECTRICAL MACHINES (part of the Hawker Siddeley Group) as a director. He will be succeeded by Mr. R. A.

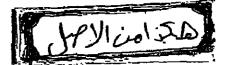




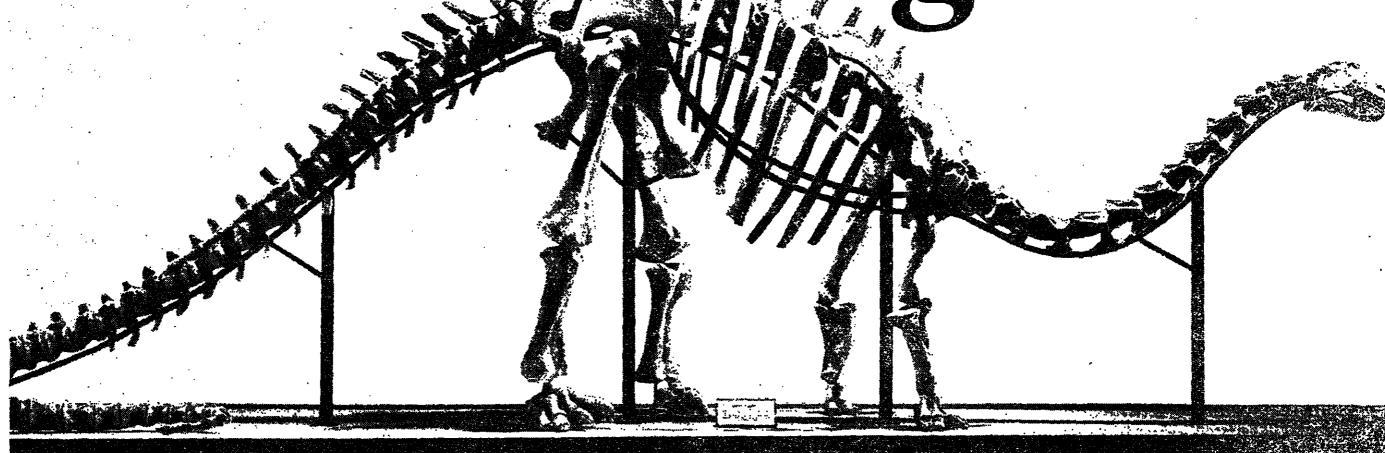




Wood Holl Design Services Ltd. System House, Potters Boy, Herts, Ed. 5222.



# Evolution has a sure way of correcting faulty design.



Arguably the worst-designed creature of all time, the Brontosaurus literally ate itself out of existence.

So much vegetation did he need to fuel his huge body, he had to eat non-stop round the clock.

But since he could not venture out of his lake on to dry land without collapsing under his own weight, he finally starved in his own empty larder.

Thus providing a spectacular warning of the dangers of conspicuous over-consumption and total inability to adapt to change.

THE NEW DINOSAURS.

With its phenomenal appetite and seemingly rigid design, the motor car could be overtaken by evolution rather quicker than the ill-fated Brontosaurus.

Fortunately, however, we at Audi have never been in the dinosaur business. We have always looked to the future and designed our cars accordingly.

Takethe 3-year-old Audi 1005 cylinder. One of the first cars to acknowledge that the world did not contain a bottomless oil well.

Outwardly conventional, it was actually a most unusual beast. It contained, for instance, the world's first 5 cylinder petrol engine.

Smooth as a six yet miserly as a four, it looked ahead to a time when the desire for power would have to be reconciled with the need for economy.

Atimelike now, in fact.

Its shape, the result of 250 hours in a wind tunnel, combined low drag with ample accommo-

dation for five. Thereby saving fuel without sacrificing life's creature comforts.

By using tough plastics when others were still using metal, we cut

weight (and therefore fuel consumption) without losing strength. And in our search for a safer car, we managed to lighten it even further.

Since the Timoshenko girders in the Audi 100 rely on controlled collapse rather than brute strength to repel impact, they are both lighter and safer than conventional girders. Thus we were able to save your spirit while taking care of your body.

And finally, because it was clear that maintenance costs would rocket as oil stocks sank, we designed a car that would give you fewer bills to pay.

With 10,000 mile main service intervals and a six year warranty against rusting through from inside, the Audi 100 looks better today than it did three years ago.

#### A NEW LOOK AND A LOOK AHEAD.

You may have noticed that the car you see here looks a little sleeker than the Audi 100 you know.

We have, in fact, polished up the head and rear light design, given it a new grill, enclosed spotlamps in the front bumper and wrapped both bumpers round to the wheel arches.

But the basic design we haven't altered at all. That we got right three years ago.

Leaving us free to design today the cars that will survive tomorrow.



3.70

# Stormy rehearsal for censure motion

A CONFIDENT claim that the Government's economic policies are succeeding was made in the Commons yesterday by Sir Geoffrey Howe, the Chancellor of the Exchequer, when he came under fierce attack from the

The Speaker, Mr. George Thomas, had to intervene to keep order, as accusations of "liar" and "hypocrite" were bandied across the floor of the House in a running row over the state of the economy.

The sharp exchanges turned Treasury question time into a that they are succeeding-yes." achieved the Government could dress rehearsal for next Thursdaly's debate on Labour's censure motion over the Government's economic and industrial

Sir Geoffrey was asked by Mr. Douglas Jay (Lab., Battersea North) whether after nine months in office he was satisfied that his policies were succeed-

He replied: "I am confident



## No exchange rate intervention—Howe

THE Chancellor rejected a Labour Government, said the suggestion from Mr. Robert Sheldon (Lab., Ashton under Lyne) that the Governor of the Bank of England should be instructed to intervene to keep the sterling exchange rate at a reasonable level. Mr. Sheldon, who was Financial Secretary in the last

years in office and that all

The Government should not

be judged by its record in the

300 but on its entire period of

first 100 days or even the first

The assault on the Chancellor's handling of the economy

was led by Mr. Denis Healey,

Labour's shadow Chancellor,

who was in pugnacious form. But it was also clear that some

ment's monetary policy.

Mr. Robert McCrindle (C

Brentwood and Ongar) agreed

with the general aims of the

Government's economic policy

and the importance of mone

tarism in attaining it. But he

wondered if the Chancellor was

satisfied that it was being

applied with sufficient flexibility

and sense of timing. He stressed

the need not to undermine the

social objectives of the Con-

servative administration. Sir Geoffrey assured him that he was entirely satisfied in this

respect. There had to be a return

Conservatives were about the effects of the Govern-

substantial period of time.

had a further four-and-a-quarter were agreed on.

sensible economic polices and about the high value of the

attempts to restore economic dis- pound and the adverse effect it

cipline were bound to take a is having on British exports.

Chancellor's exchange rate policy was directly responsible for the very large amount of manufacturing imports, and the difficulties facing expor-

Mr. Peter Tapsell (C., Horn-

castle) emphasised that it was

important for the exchange rate

to be in sensible relationship

to the international competitive-

ness of British industry. He reminded the Chancellor that

when West Germany and Japan

were faced with the inflow of

funds they took direct action to discourage such inflows. The Government should consider doing the same for Britain, he

suggested.
The Chancellor told him he

understood the concern of those

in exporting industry that the exchange rate should be at a

level to enable them to compete

effectively. But this was affected

by a number of different factors

including the success of mone-tary policy. He recalled that

the imposition of controls to prevent inflows of capital in

other countries had created

when Mr. Healey said that the Chancellor should have warned

the electorate that it was in for

that the 17 per cent Minimum

There were angry exchanges

problems of their own.

Sir Geoffrey replied: "The exchange rate is clearly one of the many areas in which

the Government cannot have control.
"The exchange rate is

fundamentally determined by market forces. Any sustained attempt to influence that by changes in intervention policy would have adverse consequences on other important aspects of economic policy."

Lending Rate would have risen But amidst Labour jeers he start pursuing the social objec-cautiously added that the Tories tives which all Conservatives to 20 per cent last weekend if the Government had not intervened by lending £500m to the Concern was also expressed clearing banks.

There were loud shouts of "Nonsense" from the Labour benches when Sir Geoffrey retorted that the Government was restoring the economy from the state it was in when it took office. He was backed up by Sir William Clark (C., Croydon South) who said it was "sheer hypocrisy" of Mr. Healey to criticise the Government when under Labour there had been a doubling of unemployment, prices, and the national debt. The Speaker warned Sir

William that it was unparlia-mentary to accuse a Member of hypocrisy. But then Mr. Patrick Cormack (C., Staffordshire Southwest) said he had distinctly heard Mr. Healey call the Chancellor a liar.
The Speaker ruled that if this

was so it should be withdrawn. After further altercation, Mr. Healey declared that he would never accuse Sir Geoffrey of lying, "as I have too little respect for his understanding to believe that he could ever tell the truth." Defending his policy, the

Chancellor said there was no question of excessive monetarism. If interest rates were

amount?" he demanded

"If not, what effect on infla-

tion and industrial relations do

you expect to result from rents

increasing by such an enormous

Mr. Hattersley said that no

one had benefited from Tory

housing policies. Private rents

had been increased, owner occu-

piers faced "uniquely high

mortgage rates," and now coun-

cil tenants would have to pay

industrial prosperity, this was a consequence of public-sector borrowing and spending being

**Tories face** 

on school

transport

Lords' revolt

By Elinor Goodman, Lobby Staff

THE Government's plans for

introducing a charge on

school transport could run into trouble in the Lords.

More than 30 Roman Catholic

Conservative peers are

believed to have reservations

about even the compromise proposal which Mr. Mark

the

Secretary, produced two

weeks ago to minimise the

threatened rebellion among his own backbenchers in the

Commons. They could be

joined by other Conservative

Lord Butler, the architect

of the 1944 Education Act

and one of the party's most

revered elder statesmen, is

also understood to be

unhappy about the provision

and might be prepared to support an amendment at the Education Bill's committee

He has already served

notice that he intends opposing one of Mr. Carlisle's

own amendments to the Bill.

relating to the provision of

managers are clearly expect-

ing trouble in the Lords when

the Bill goes into committee.

They have allotted an entire

week for the committee stage, which in the Lords is taken on the floor of the

The signs are that if they

do vote for an amendment on

school transport, then the feeling in the Lords might be

strong enough for them to

make life quite difficult for

the Government, if Ministers

refused to accept their change

when the Bill returned to the

The criticism on the Tory

The Government's business

nursery education.

House.

Commons.

Education

The Chancellor was urged to take action to control the the £560m Isle of Grain power growth of money supply in the station seemed even further light of January's banking figures. But he said it was away yesterday when union leaders declared their "withimportant not to place too much emphasis on one month's dispute over bonuses for figures. Monetary action would only have effect over a period

Mr. Frank Earl, national The recent action of the Bank officer in the General and of England in relation to the Municipal Workers' Union said rate of money supply made no the 27 strikers involved on the fundamental change to the Kent site had been advised by operation of Government policies. The long-term objecthe union to look for jobs elsetives remain the same.

Strike pay was no longer being paid but the union had Pressed further on this point by Mr. Healey the Chancellor not withdrawn its support for its members in the dispute. It said: "You should certainly not concluded that the intervention had called on any other thermal by the Bank of England has been a significant factor in causing changes in the rate of money supply in the last few months."

The union also announced it would be calling a national industrial conference to discuss the events surrounding the dispute. In the meantime it felt drawal" from the long running that nothing could be gained for the laggers. The Board was from any further attempts to in this way "imposing its will

Union pulls out of power

station's lagger dispute

Contractors

of the CEGB to meet union negotiators directly for the present impasse following the six month strike on the Isle of

He claimed that the board had put the union in the position of only being able to talk to the insulation contractors. Cape insulating engineers to refuse Contracts, who employed the schedule.

A SOLUTION to the problems employment on the site should laggers. This was like trying to which have bedevilled work on it be offered to them.

they claimed. Mr. Earl said it was the CEGB which had adopted "an inflexible attitude" by insisting on a £2.60 an hour maximum bonus

gain satisfactory terms for its on the contractors. "It is now up to the CEGB to break the deadlock since we Ontractors have withdrawn from the dis-Mr. Earl blamed the failure pute," Mr. Earl said.

The strike over the laggers' bonuses began last August and marks the latest in a series of industrial relations problems on the Isle of Grain.

Completion of what is planned to be the largest oil-powered power station in Europe is two years behind

# Wage contract law suggested by Prior

BY RAY PERMAN, SCOTTISH CORRESPONDENT EGALLY ENFORCEABLE in which his new ideas on

wage contracts might be secondary picketing and the included in further Government closed shop would be implemoves once it is seen how the mented, but he could not be exnew labour legislation works out in practice, Mr. James Prior, Employment Secretary, said last

Mr. Prior was speaking on the eve of facing trade union reaction to his industrial rela-tions proposals when he meets

ably hostile, because the STUC has already made up its mind about the amendments put down by the Government on Tuesday to the Employment Bill now before Parliament.

Prior's visit.

pected to change them in substance. It was important for the coun-

try to realise that these pro-Such contracts could enable posals were a compromise between the hard line put forward by some sections of opinion and the status quo favoured by the They were intended to deal

with specific problems and were not a comprehensive framework the Industrial Relations Act and the Labour Govern-ment's "In Place of Strife" had tried to be.

The Government could be more ambitious. But it would risk the collapse of its legislation and democracy, and the future of Britain as a major industrial power could not survive another Government fail-ing on industrial relations. Mr. Prior said he favoured a step-by-step approach. The pre-

sent proposals would be fol-lowed by a Green Paper this year embodying some of the work on immunities already done by the Government and the CBL

sackings

SENIOR STAFF at the

Amalgamated Union of Engineering Workers London headquarters will meet next week to consider the dismissal of two research officers who prepared controversial material for Mr. Bob Wright, the union's left-wing assistant

general secretary. Staff representatives are expected to seek a meeting with the union's executive when it meets on Tuesday. They will then meet, probably the next day, to consider their next move.

The two research staff, Mr. Alan Hughes and Mr. Trevor Esward, were dismissed for gross misconduct on Tuesday after preparing material on last year's engineering pay negotiations and the right-wing controlled executive's handling of opposition to the Government's Employment

Mr. Wright, for whom the research was conducted, will appear before the executive on Tuesday morning.

#### Talbot car plant hit by strike

PRODUCTION IS threatened cleaners went on strike yesterday. They mounted a picket to turn away lorries

loaded with components. The men, employed by an outside contractor, are claim-ing the same pension and layoff rights as Talbot company employees.

They also claim that the management has failed to keep a promise of the old com-pany, Chrysler UK, to supply

Asier

A-1-1

employers to pay higher wages in return for two or three years of guaranteed production. This would be useful in the car

the Scottish TUC in Glasgow today.
The unions will be predict

A conference which will open a campaign against the proposals has been called by the STUC to coincide with Mr.

The Employment Secretary said last night that he would be prepared to discuss with the trade union movement the way

protection for BL TRANSPORT AND General a campaign to make the public

BY ALAN PIKE, LABOUR CORRESPONDENT

Transport leaders want

Workers' Union leaders are con- more aware of the need for the light of Wednesday's deci- a major element of British sion by the Longbridge work- manufacturing industry. force not to strike in support of Mr. Derek Robinson, the dismissed convener.

the Amalgamated Union of Eogineering Workers, lost his job after attacking Sir Michael Edwardes's recovery plan for the company, to which the TGWU is still officially opposed. The TGWU - which commis-

Mr. Robinson, a member of

sioned a report on BL from Euro-Finance, the Paris-based firm of consultants—is working out detailed proposals for the way it believes the company to lead to the exp should develop. It is planning British industry.

TGWU leaders are convinced there must be adequate shortterm protection for BL in an

import-dominated home market. They have apparently con-sidered campaigning for strict controls on the sale of cars which have not been assembled in the UK, or do not contain a substantial proportion of locally manufactured components, from January, 1982. The union is also concerned

that any partnership agreements between BL and other manufacturers should be intended to lead to the expansion of the

#### overalls and safety boots. But Talbot said respon-sibility for any outside contractor must surely rest with his employer. Talks, however, would be held to solve any

## Welsh pit action might be slow to damage national economy BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE STRIKE threatened for which is Aberthaw, near Swan- rather than bring in 1.3m tonnes

Monday by South Wales miners' leaders might serve to highlight local grievances, but would in-

on a recommendation by the union leadership to strike from Monday in protest at the threatened run-down of the Welsh steel industry by British Steel Corporation. Deep-mined coal production-

Of this, nearly 3m tonnes is oking coal, 2m smokeless fuels, including anthracite, and more than 2m steam coals used in

high-quality, naturally smoke-less fuel used in home hearing. Wales has Britain's sole workable reserves, and production is insufficient for national demand. Some is imported from Morocco and West Germany. The impact, therefore, on sup-

plies would be rapid, though offsites by civil engineering contractors who would not be South Wales's output of steam

coal is mostly of low volatility, and unsuitable for power

Much is used at speciallydesigned power stations in South Wales, most important of

The Central Electricity Generating Board estimates 1m tonnes South Wales production, but the of steam coal to be stockpiled agreement runs only for one in Wales, enough to last 9 to 10 yearweeks, so a pit strike might not begin to bite for two months or

more. Nor would it prove em-barrassing to the National Coal Board in the coking coal market Because of the national steel strike the NCB has extensively stockpiled coking coal, or tried to use it in other markets.

than any other area, £31.75 a private steel stockholder at tonne, but cost of digging was Wishaw. £36.10 a tonne, higher than in any other.

difficulties; rock faulting, which pickets trying to stop laden is particularly bad; the fact that vehicles leaving, many of the easiest faces are At Sheerness; Kent, only many of the easiest faces are At Sheerness. Kent enly worked out; low level of investment in the 1960s; and the weak compared with 1,800 who state of the coking coal market, unsuccessfully tried to half pro-

improvement in that market, the prospects for the area do not seem bright. The NCB has put in mothballs a plan for a £120m mine at Margam which would

more cheap imports.

This will safeguard some

reported that even if the investment then planned yielded benefits in full, South Wales mines would be in substantial deficit by 1988-84. The subsequent crisis in the steel industry can hardly have

improved that picture and has posed a fresh threat to It is hard to quantity the thousands of jebs,

financial effects of a Welsh stop. • Scottish police arrested more page on the NCB, but a strike pickets yesterday in Lanark-is hardly likely to prove disas-trous. South Wales is one of the after fighting on Wednesday. In the last financial year it had There were six arrests as a an operating loss of £18.9m. Its group of 70 pickets tried to

Until there is a substantial duction at the town's private

In Sheffield more talks will he held tomorrow between unions and management at Hadfields where many workers produced high-quality reluctantly retained the strike a week ago. - The company has

NCB has recently agreed on a repeatedly warned that con-£22m subsidy to BSC under continuation of the strike may which BSC will buy British coal force it to close. INCOME A 10 CAMPAGE AND ADDRESS OF THE PARTY OF THE PARTY

to monetary discipline and when 20 per cent inflation. He claimed

By Elinor Goodman, Lobby Staff

threatening not to vote with the Government when the before the House for final

In December, 19 Tory MPs threatening to do so as

The rebels are expected to meet shortly to consider their

He told them that he did not think it was necessary to have any more than the oneand-a-half hours normally provided for a negative resolution as MPs had already debated the proposals at length and all the changes made since then reflected the

committee on home affairs

# **Angry Labour MPs** immigration condemn higher rents

THE Government is to cut emphasis of public sector hous-earnings will increase by that housing expenditure in ing policy now must be to meet England by £540m in 1980-81— particular needs, such as those in ing policy now must be to meet a reduction of 21 per cent. Announcing this in the

increased by a further 60p in houses. This would bring the total rent increase for 1980-81 to 28 per cent. investment pro-

that council rents would be

grammes for local authorities would be allocated £2.2bn, Mr. Heseltine said. would be allocated £420m for the work of the housing associations; and new towns

be given £151m. Growth in the new towns must be based increasingly on the private sector and homes

for sale, he said. Angry Labour MPs condemned the moves as "a recipe for housing shortages and soaring housing prices."

Mr. Heseltine, dubbed "a national disaster," was greeted with a chorus of demands for his resignation. But the Environment Secre-

By last year taxpayers and ratepayers were contributing to a subsidy of £30 a week for the average new council house. Council rents had fallen to

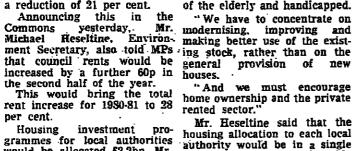
in line with earnings. The result of Labour's housing policy had been to reduce local authority building pro-

Low rents had been a major

factor in their inability to meet

housing costs, finance invest-

tary insisted that the revised programmes reflected what the nation could realistically 6.4 per cent of income, despite a commitment to increase rents



authority would be in a single block so that they could decide their own priorities.

building rental housing would arrangement, on the problem Mr. Roy Hattersley, Labour's than they had been doing.

environment spokesman, said Mr. David Alton, the Liberal the increase in council rents spokesman, said that local authwould now amount to 28 per cent ever the year. "Are yon really suggesting



higher rents. Mr. Heseltine retorted that during the last four years of Labour government, local auth-The priorities now must be ority housebuilding had fallen value for money and concentra-tion, under the more flexible from 102,000 to 59,000 a year.

There was no reason to suc-

figure?

pose the rate of new housing starts would decrease faster

orities would have less money for mortgages and would not be able to increase owner occupation.
"What will they do to accelerate improvements when you are reducing the money avail-

Mr. John Tilley (Lab. Lambeth Central) said that inner city areas with difficult housing problems could be hit by the reduced allocations. Mr. Heseltine was jeered when he replied that the sale of council houses could release resources for other local auth-

ority programmes. Mr. David Stoddart (Lab, Swindon) said that the Government's announcement was a recipe for housing shortages and soaring housing prices."

And Mr. Jack Straw (Lab, Blackburn) said that Mr. Heseltine was living up to his reputation as the "gauleiter of hous-The Government's moves would have severe effects on eur syment in the construction

benches of the proposed school transport charge came mainly in the Commons from MPs with rural constituencies

where almost all children
have to travel by bus to school—and from Catholic members who are concerned about the additional cost for Catholic parents who have to send their children some dis-

"Not only is it the only site that with the neglect of a decision for the past decade can conceivably meet demand up to 1990, it also provides the only realistic option for meeting the demand of air traffic as it

develops." Mr. Nott said the public

Mr. John Smith, Labour's phatic in coming down against shadow Trade Secretary, contrasted the resistance in the Bill report South-East to the construction of a third London airport to He declared: "If the Govern- the welcome which such a dewithout the expansion of exist- the demand for air traffic has some of the less economically Labour and Liberal MPs, who ing capacity, traffic would un- to be met rather than avoided prosperous regions of Britain.

there is still considerable concern about the proposal on the backbenches. Parliament's business

Conservative MPs but even so

COMMONS
Manday: Private members' motion
uillotine motion on Social Securi Bill.
Tuesday and Wednesday: Companie
Bill. remaining stages.
Thursday: Debete on an Oppositio
motion of no confidence in Governmer
economic and industrial policies.
Friday: Private members' Bills.

LORDS

next week

Monday: Bees Bill report; Education iil, second reading.
Tuesday: Criminal Justice (Scotland) eday: Debates on the Finnistor

lict no major short-term damage on the economy, though it could rapidly hurt domestic coalusers.
Pithead voting began yester-day by the area's 27,000 miners

tance each day to Catholic in South Wales is about 8m tonnes a year (108m tonnes for Mr. Carlisle's compromise Britain as a whole). succeeded in reducing the threatened rebellion to 13

> pòwer stations. A strike would be felt first in the market for anthracite, the

> set by the relatively mild winter and the fact that half Welsh production is from opencast directly involved in a strike.

stations in general.

Prospects

NCB's major losing areas. production had a higher value stop vehicles moving into a

A year ago a tripartite group, comprising the Government, the mining unions and the NCB.

writes Maurice Samuelson.

Later one man was arrested at a Bellhsill plant as police Reasons include the geological tried to contain about 80



## Rebellion still on rules

A SMALL group of Conserbackbenchers are new immigration rules come

abstained when the proposals were first debated and though the Government have made several changes to the detail of the new regulations since then, some of those who abstained last time are

strategy but some seem to feel that their original abstention may have been protest enough and that there is no point in making themselves even more unpopular with the whips by refusing to vote with the Government again. The Order, published on

Wednesday has already been prayed against by the Mr. Norman St. John Stevas, the leader of the House, was pressed yesterday by both Labour and Liberals to allow another full day for debate.

opinions expressed in that Nevertheless there is considerable pressure for a full debate and it may be that the Government will be per-suaded to confine such debate

#### ment and maintain their stock. We Heseltine said: "The HESELTINE: "A disaster" Nott defends choice of Stansted

BY IVOR OWEN

traffic by 1990 with damaging effects for the national economy. At the same time, he said, there would be increasing chaos in the London area airports which would make the present peak-time squalor at Heathrow the norm for all the London

Mr. Nott had to contend with

Government benches and was

the third London airport had not been established.

A CLAIM by Mr. John Nott. the have also attacked the Govern- doubtedly be diverted to Paris and if at the same time it takes Trade Secretary, that there is ment's proposal on the grounds and other continental airports. a realistic and thoroughly no realistic alternative to the that to channel 15m passengers Mr. Nott declared: "To re- cautious view about the foreno realistic alternative to the that to channel 15m passengers Government's proposal to a year through Stansted would expand the capacity of Stansted inevitably create unlimited and Airport failed to satisfy Tory unbalanced urban growth on a backbench critics in the Com- huge scale in north-west Essex and east Hertfordshire, joined He warned that without in the protests.

Mr. Nott's insistence that in greater use of Stansted Britain arriving at his decision he had would be unable to cope with the anticipated expansion in air not been particularly influenced by his Department's officials made little impression on Sir Derek who spoke of the irrational and prejudiced preoccupation in official circles of argue that for practical pur-the alleged desirability of Stan-poses there was no alternative stead as the third airport." Dealing with the forecasts of

Gatwick, Stanstead and Luton bluntly told by Sir Derek amounted to approximately 50m Walker-Smith (C. Hertford E.), passengers a year. He underlined the importance He underlined the importance that the case for making of the aviation industry as one of Stansted what would in effect be the growth sectors to the British economy and contended that ment accepts the argument that velopment would receive in

dire long term consequences for our trade and the convenience of the British travelling public." He stressed that the final de-

which would be able to consider alternative proposals. Mr. Nott then went on to poses there was no alternative to the expansion of Stansted. He ruled out a revival of the area airports throughout the Minister said they ranged from it was no longer realistic to Maplin project and argued that think of constructing a third a low point of 69m passengers a par. Nott had to contend with year to a figure of 81m a year. London airport on a totally repeated interruptions from the Present capacity at Heathrow, green field site.

cision on the Stanstead proposals.

must await the outcome of the

wide ranging public enquiry

Mr. Nott was equally emthe building of a fifth terminal at Heathrow or a second runway at Gatwick

strict growth in London would casts, Stansted provides the simply suppress traffic or divert only viable choice with regard it to continental airports with to flexibility on timing.

> inquiry into the Stansted proposal would give objectors an opportunity not only to expand on the reasons for their objections but also to question the need for a major airport expansion anywhere, as well as an opportunity to put forward alternative sites.

> > Report and on cethedrals.
> > Thursday: Protection of Trading Interests Bill third reading; National Heritage Bill committee: Farm and Horticulture Grant orders; Debate on a commercial-size fast-breeder nuclear

Scoushurgh and Mormond Hill in the map above are the two

Post Office shore tropospheric scatter microwave stations that serve oil production platforms in the most remote parts of the North Sea. Mobil's Beryl "A" oil rig (pletnred right) was the first in the North Sea to receive an automatic public

telephone service in 1976.

COMPANY

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**NOTICES** 

#### APPOINTMENTS

# Group Manufacturing Director

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- a large scale operation overseas.
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Those to whom this appointment would be of interest are invited to write in complete confidence to KRC. Slater as adviser to the group.

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- TERMS are for discussion with a salary indicator of around £15,000. Location: East Midlands. Age: 30s.

Write in complete confidence

#### **TYZACK & PARTNERS LTD**

to P. T. Prentice as adviser to the group.

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and LONDON WIN 6DJ EDINBURGH EH 3 6AJ 21 AINSCIE PLACE

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**APPEALS** 

TRAVEL

which sousses the Fund not was some of the Fund not was 1980.

March. 1980.

BY ORDER OF THE BOARD OF MANAGEMENT.

COHOU!

ACTI

Moit

puters which monitor the pipe-lines and assist production operations constantly need to relay to the shore the informawhich has been gathered. This is in addition to conventional communications for speech, links with ships and helicopters which bring in vital All maritime communications are based on radio and for communication between ships and oil platforms the traditional methods are employed. How-

WHEN SHELL'S Fulmar oil

production platform becomes operational this year it will be

North Sea. It will also be, if not

the first, the most distant plat-

form from the UK shore to be

provided with a telecommunica-tions link which allows workers

on the platform to telephone and telex almost anywhere in

gas production platforms in the

North Sea, one of the most

inhospitable corners of the

daily production figures to land-

based terminals, and the com-

ever, the amount of information which daily flows between platforms and the shore would soon congest the radio frequencies which are shared by other The Post Office has spent

several years developing a system, at a cost of more than £7m, to improve North Sea communications to allow oil and gas production platforms to connect directly into the public telephone network, just like any other Post Office customer.

To achieve this the Post Office has pioneered in the North Sea the use of an advanced technical system known as tropospheric scatter. This makes use of microwaves, which have ex-tremely high frequencies—so that they can carry a very large amount of information and individual telephone many

facsimile transmissions simul-taneously, like light they travel in straight lines and hence the range of transmission normally extends only as far as the horizon. This is useless for the oil platforms in the central andnorthern parts of the North Sea which are between 100 and 200 miles from shore. Tropospheric scatter is a technique which allows engineers to stretch the range of microwave communica-

horizon in the direction of the operational this year it will be platform from the shore trans- joined the service and later equipped with some of the most mitter, or vice versa. The Total's Frigg field. In the second sophisticated communications normal turbulence in the earth's phase of the programme ten equipment ever used in the lower atmosphere, the tropomore platforms joined which North Sea. It will also be if not subere causes the beam to included. sphere, causes the beam to scatter, in the same way that the loom of a car's headlights can be seen at night when the car itself is out of sight.

BRWESIAN

ENERGY REVIEW: NORTH SEA COMMUNICATIONS BY ELAINE WILLIAMS

Extending the horizons

of the oil rigs

#### Aeriais

Good communications with the shore are essential in the Although most of the power of the beam is lost, enough of it day-to-day operations of oil and remains in the scattered beam to allow signals to be picked by receiving aerials far beyond the horizon. The signals are world. Workers on the platform have to send information about weak. Compared with the original transmitted beam they are one thousand trillion (million million) times weaker. Powerful amplifiers at the receiver boost the signals to their original strength.

> It was in January 1976 that the Post Office inaugurated its international telecommunica-tions service for oil and gas platforms operating 100 to 200 allows access not only to the platform's own land base but also to Britain's inland and international telephone and telex network. The Post Office says production staff on North Sea platforms are able to make world wide calls, and send telex messages almost to any country without calling in the operator.

> The principle of tropospheric scatter was demonstrated as long ago as 1933 by Marconi. How-ever, it was not until the 1950s that practical systems were de-

Today its use has been princi-pally for defence, although some civilian systems have been installed. Tropospheric scatter is used to link areas of land separated by mountainous ter-rain where it is difficult to use conventional microwave systems which need a chain of aerials on their own private networks. positioned every 30 miles or so.

It is believed that its application in the North Sea is the only such use in the oil industry since most other oil fields are But microwaves have a serious drawback. Although they are able to carry easily all the computer data, telephone conversations, telex and even facsimile transmissions simul. 100 or so. But this is enough to cope with the requirements of oil platforms.

Mobil's Beryl Alpha was the first North Sea platform to be provided with an automatic public telephone service using tropospheric scatter techniques. It lies some 95 miles east of the Sheflands. Since then the num-ber has risen to 15 with others such as Fulmar due to join the

platform some 110 miles from shore, north east of Aberdeen included a complex of seven platforms—Shell's platforms in the Cormorant, Brent, and Dunin fields, and British National Oil Corporation's Thistle plat-

To serve the oil fields the Post Office built two special microwave radio stations on the shore. The first at Mormond Hill in North East Scotland serves the central area of the North Sea while another at Scousburgh, on South Shetland, links the most northern plat-forms. These stations are also mutually linked with their own tropo-scatter system. At the plat-form end of each link, equip-ment similar to that on shore is installed and maintained by the oil companies or their agents.

Because of the need for high reliability the Post Office has tried to ensure that at least two links to a particular group of platforms is provided. This means that usually two platforms are equipped with the tropospheric scatter system which are the "master" stations for a particular area.

These master stations are linked to all the others in the vicinity by the conventional line of sight microwave system. The master stations operate alternately so that a sudden failure in the equipment does not mean a loss of communica-tions with the shore. It takes only 11 seconds to switch from one to the other. For example, Cormorant A platform owned by Shell has a mester station which alternates with the BNOC's Thistle platform in the northern region of the North Sea. Some oil companies have set up their own tropospheric scatter systems but these are for internal communications

#### Feasible

A tropospheric scatter system is also being planned for Shell's Auk platform which is in the central area of the North Sea. On its own Auk would not economically justify such a system. However, the addition of the Fulmar platform only seven miles away makes the investment feasible. The cost of the initial phase

of the tropospheric scatter system for the first four platforms was almost £3m. The Post Office estimates that the total cost, including systems which will become operational up to 1981 will be £10m. This also includes the two systems now under construction to cover Shell's Fulmar field and MOE tions to 490 miles.

network in the near future.

very powerful microwave Following the Beryl Alpha the Phillips Maureen field. competition from signals are projected in a platform, Occidental's Piper Fulmar at a distance of 175 use of satellites. the Phillips Maureen field competition from the growing

#### face the prospect of damage from the heavy fishing in the North Sea, ship anchors and underwater activities other around platforms, extremely

shifting seabed.

**Distances** It is only in the central and northern areas of the North Sea that the tropospheric scatter system is provided because of the large distances which have to be spanned. In the southern fields the platform complexes can be served by conventional

miles from shore will be the longest link provided by the Post Office so far.

before the introduction of the Beryl service in 1976, although

it had previously carried out

experiments using the tech-nique. The Post Office said that it chose this method after

considering the alternatives of

satellite or submarine cable. It

found that satellites and cables

were both more expensive. A

suitable satellite could not have been launched in time to

serve the platforms coming

into operation and the cost of

launching a satellite, which has a limited lifespan, is high. On

the other hand, undersea cables

bad weather conditions and a

Tropospheric scatter had not been used by the Post Office as communications system

microwave systems. For example, both the Leman and Indefatigable fields lying off the East Anglian coast send and receive signals from a single shore based station at Bacton which then connects the platforms into the public telephone and telex networks as provided by the Post Office. two fields alone a total of eight platform complexes are served by the direct microwave link because they are within sight of

Using both types of micro-wave link up to 132 individual channels can be transmitted using a single microwave beam. Huge aerials transmit and receive the beam. On the plat-forms themselves 20 to 30 ft diameter dish aerials are perched on top of 300 ft steel towers to ensure that no obstacles bar the way of the transmission.

Even with the precautions taken to prevent loss of trans-mission the oil and gas plat-forms also have several other forms of communications which can reach as far as land such as an emergency link to Post Office coastal stations on lower frequencies than microwases.

Using the two shore stations for the tropospheric scatter system the Post Office believes that it will be able to meet offshore communications needs well into the 1980s and hold off

## LEGAL NOTICES

IN THE MATTER OF LEA VALLEY PUBLICTIONS LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

of Marc. 1980, to send in their full Christian and surnames, their addresses and destinations, full particulars of their debts or cleims, and the names and addresses of their Solicitors (Ifany), to the undersigned, Petrick Granville White, of 1 Wardrobe Place, Certer Lane, London EC4V SAI, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be, specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 13th day of February,

PATRICK GRANVILLE WHITE

IN THE MATTER OF HENDERSON ADVERTISING LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

creditors of the above-named Company, which is being volumerily wound up, are required, on or before the 31st day of Merch, 1980, to send in their full Christian and summers, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned BRIAN MILLS.

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#### **LEGAL NOTICES**

THE COMPANIES ACTS 1948 TO 1967 CHRIS MILLER MEDIA SERVICES

NOTICE IS HEREBY GIVEN, pursuent to section 283 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at 1 Wardrobe Place, Carter Lane, London ECAV 5AJ, on Friday, the 14th day of March, 1860, at 11.30 of clock in the forencen, for the purposes mentioned in sections 294 and 295 of the said Act. Dated this 15th day of February 1980.

By Order of the Board.

C. MILLER, Director.

IN THE MATTER OF THE COMPANIES ACT, 1948 AND IN THE MATTER OF 8. P. H. (FUELS) LIMITED Registered Office: NOTICE IS HERBY GIVEN pursuant to Section 253 of the Companies Act, 1948, that a MEETING of the CREDITORS of the above-named Company will be held at 33, Clifford's Inn. Fetter Lane, E.C.4, In the City of London, on Tuesday 18th March 1980 at 11.30 a.m. for the purpose mentioned in Section 294 at seq of the said Act.

Dated this 13th day of February 1980.

Deted this 13th day of February 1980. By Order of the Board, B. JOHNSTON, Director.

Contact: Alan Pitts, Chief Technical Officer, Borough of Torfaen Council Offices, Hanbury Road, Pontypool, Gwent NP4 6YB. Tel Pontypool 2471 Ext. 287.

# lechnical Page

#### COMMUNICATIONS

# Network cuts the phone bill

YET ANOTHER company with 240 kHz bearer. nationally spread locations, Norwich Union Insurance, has moved over to an integrated private communications net- ing centres costing £1m. Total work using leased Post Office project cost was £1.3m. lines and reckons to save 20 per cent of the £11m phone bill employees is that in effect all previously incurred each year the company's telephones are by extensive use of the public connected to one large PABX. network.

The scheme, which links the without operator intervention; company's three dozen or so a user simply dials "7" to get branches by private lines, has on to the network, a two-digit nodes with switching centres at code to get to a specific loca-Edinburgh, Sheffield, Birming-tion, and an extension number. ham, London and Norwich The centres are connected by wide- to a traffic data collection and band circuits and themselves analysis system allowing details radiate connections to their of telephone usage at each of surrounding regions.

These main and subsidiary seen at Norwich. links have handwidths (call capacity) according to present circuits are to be added to give and predicted traffic flows, the appropriate staff direct London to Norwich carrying access to the computer at most of the traffic with a Norwich.

Telephone Rentals has supplied much of the hardware including the five PDX switch-

A particular advantage for Staff have desk-to-desk dialling

The network is also connected the 38 remote locations to be

Later on this year, 35 data

## **Guiding the tourist**

REPLACEMENT of all external be silk-screen printed in white, directional, information and or have discut letter legends, warning signs at the Tower of depending on the amount of London is to be carried out by be in Baskerville typeface. Bribond Signs of Victoria Road, Burgess Hill, Sussex. Around 450 new signs are involved, and the contract is due for completion in 1980.

black on the back surfaces. The Tower precincts. Many of the faces will be coated with 3M's signs will be fitted with holders pvc film, which provides a non- to enable information to

INSTRUMENTS

Three basic types of sign are

involved - descriptive signs for mounting on external exhibits, directional and warning signs (some of which are The signs will be made from multi-lingual), and pictorial 3mm and 6mm thick sheet signs with international symbols stove-enamelled for traffic control within the Scotchal non-reflective black for removable aluminium inserts scratch surface and will either readily changed.

Readable from a distance FOR APPLICATIONS where a feet. The character structure display has to be readable at a means that 10 numerals, the few yards as in cash registers upper case alphabet and any and other point of sale devices, special characters or symbols and in some kinds of instructhat can be accommodated mentation. Beckman Instru- within 14 segments are feasible.

lamberts Twenty half-inch high charac-More from the company at ters, each with 14 segments, are Queensway, Glenrothes, Fife visible at distances up to 40. KY7 5PU.

ments has developed an alpha- Viewing angle is 120 degrees

numeric gas discharge unit and the brightness is 70 foot-



# Big bags make handling easier

MANY SHIPPING and distribu- based on "sling bags" and has offers a minor but useful saving tion organisations have moved been developed by Pertwee to offset the extra price of the to packaging on pallets or in Industrial of Harbour House, intermediate bulk containers Colchester (0206: 43221). The advantages

Now another system has been of paper sack can be used. developed to combine the

the needs of North American farmers for more powerful

machines is a Massey-Ferguson

tractor said to be the first in the world to be fitted with an

electronically-controlled three-

This is designated the MF 4840, is rated at 194 kW

engine power and will be

operated extensively-mainly in

eastern areas of the country—

before a final decision is made

Instead of using mechanical

linkage to transmit depth of the

implement and position control

the new system incorporates

induction coils to sense draft

and position changes and to

transmit the signals electrically

through a control box to a

solenoid-operated lift control

Induction coils sense changing

soil conditions and electronically

adjust the hydraulic system

about marketing it in Britain.

FARMING

point hitch system.

(IBCs) of either the flexible basic idea is to use a stiff fabric or rigid type. All the systems bag which can be loaded with, have: advantages and disused as a flexible TBC. Any size

It is claimed that in many advantages of small bags loaded situations, the sling-bag system on pallets with the attractive can be expected to eliminate features of "bulk" loading in in-transit waste. The paper a flexible IBC. This system is sacks can be down-graded which

Consequently, the tractor is

consistently used at maximum

efficiency by precisely matching

implement working depth to differing field conditions. Once

the implement is set at the

desired working depth, the

operator simply presses a switch to raise and lower the imple-

ment when turning at the head-

The machine is powered by a

Cummins V-8 diesel engine, has

an 18-speed transmission pro-

vided by a six-speed gearbox in

combination with three-speed

power shift, and it can be equipped with 1,000 rev/min

Despite its overall weight of

12 tons, says the company, the

tractor's tyre equipment keeps

the ground pressure comparable

with that of smaller tractors.

465211).

bag which is around £9 for one tonne capacity. If damage to the package occurs during handling in all except extreme cases, the contents will be bag so eliminating total losses. The sling bag itself can be loaded with one product

Tractor has electronic hitch system

ing enables it to turn in a tion plant includes a numeric redius of only 5.2 metres. ally controlled template cutting

DEVELOPED primarily to meet has ever been possible with of 6.4 metres, the extreme the needs of North American mechanical systems, says M-F, manoeuvrability of pivot steer-Banner Lane, Coventry (0203

#### At present, much of the parts machining operation is subconmixed loads and it will stack tracted to specialist machine shops under the company's tight quality-control supervision but an increasing volume of this work will eventually be prought in-house where there is space for considerable future expan-

kovestment in modern Tabricaally controlled template cutting

e PROCESSING

Altrincham, Cheshire.

its equipment.

fabrication and

one of the world's largest sup-

tries at home (with whom a

manufacturing plant at Bolton

was shared until recently), the

Clean-up on bottles

# Automatic frost warning

GROWERS WHO lie awake at programmed number and at the night wondering if their crops monitoring station a message are about to be spoiled by a will be printed out identifying frost or some other environmental problem might welcome service offered by Castle Alarms Central Services of Rayleigh, Essex SS6 7QD

This company will instal the appropriate sensors in greenhouses or elsewhere and connect them to devices that allow a danger to be signalled over a telephone line to a central monitoring point.

(0268 770393).

For example, if a thermostat triggers, the transmitter will

location and the number of the alarm sensor.

As soon as such an event occurs, the relevant manager or owner will be contacted by phone. Cost per transmitter/sensor

is in the region of £350, plus an £85 per annum maintenance and insurance cost.

apart from temperature. For example, blockages in pipeline feeding systems can be detected by pressure sensitive switches.

THERE'S an awful lot of steel machine, automatic pipe weld-to be seen around the factory of ing equipment, as well as ing equipment, as well as materials handling equipment and tooling.

pliers of beverage packaging. When it introduced its presmachinery at Broadheath, near surised spray system Vortex in the late 1930's, the company claimed to have revolutionised Stock-piling has been the name of the game for some the pasteurisation of in-bottle months now in anticipation of products such as beers and soft the steel industry's current drinks and it reckons it has hiatus because Barry-Wehmiller's new complex must since kept pace in a rapidly developing industry be able to cope with the increas-

Single and double deck ing international demands for machines handle a full range of container capacities (maximum Jointly owned by Barry-Wehmiller company of St. Louis. height 340 mm) from outputs of 2,000 per hour up to 150,000 U.S.A., and Stone-Platt Indusper hour. These machines are of pre-fabricated tank construetion with all mechanical motion company now has a floor area at Altrincham of 12,000 square derived from a hydraulic

metres where production will Utilising the automatic soak/ jet-principle, the Series 20 bottleinitially concentrate on neavy washer is a new addition to the (These areas are considered by company's bottle washing the company to yield the systems and is claimed to make greatest savings in cost and optimum use of water and steam manufacturing lead times.)
Giant bottlewashing systems,
pasteurisers, bottle inspection and reduce energy demand.

bottle equipment and conveyors are all produced at the Altrincham site machine, Opti-Scan III, handles a variety of glass bottles up to where over 200 people are in-volved in manufacturing, quality two litres capacity, regardless of colour, and copes with up to control, marketing, design engineering, customer service and administration. 800 containers a minute. Believed to be the most advanced bottle scanner in the

One of the first facilities to world is the Opti-Scan IV, said be installed in the new plant to inspect up to 50 per cent was a stores complex designed more container surface area to stock a comprehensive range than its competitors. accessories and replacement

This machine is capable of handling bottles up to five inches in diameter and 14 inches high. It can inspect different coloured bottles intermixed without the need for resetting. Container handling is carried out using starwheels. Faulty or contaminated bottles

Engineering contractors to the oil,eas,chemical, process and bower Beneration industries.

are removed from the flow line

William Press Group. Tel.01-353 6544.

by a vacuum system. Working in conjunction with Opti-Scan is Questron which the company says represents the most significant technological achievement in electronic empty bottle inspection in 20

All these products will be demonstrated at the International Brewing, Bottling and Allied Trades Exhibition in Birmingham from March 17 to 21 together with a new high speed single channel bottle

employs electro: Fully automatic electronic mechanical and photoelectric impty bottle inspection sensing techniques to select perfect bottles while rejecting those that are sub-standard at input speeds of up to 600 hottles a minute. Detection can be by means of contour, dimension, or colour.

With its new complex now operational. Barry Webmiller says it expects to attain sales of nearly £10m (compared with sales of just over £4m in 1975) in 1980. Much of this growth has been achieved with sales outside the UK because the company consistently exports 70. per cent or more of its production to countries in Europe and Africa as well as the Middle East and Asia.

DEBORAH PICKERING

#### LUBRICATION Fewer changes needed

during the past 15 years has steadily increased in importance. It is, however, unusual for an original equipment manufacturer to participate in developing or introducing preventative maintenance measures alongside its own equipment. Electropower Gears Limited (EPG) of Aylesbury has

ecently done precisely this. In conjunction with an inter-national industrial lubricant manufacturer, EPG has launched a new long-life lubricant for use in the variable-speed drives Other sensors are available manufactured by its subsidiary Disco and Supaflex Drives of Kings Lynn. The performance of the oil is such that it totally

PREVENTIVE maintenance is early oil change—so far recomen area of engineering that, mended after 100 hours.

Using the new lubricant, the first oil change is not required until 6,000 hours and thereafter every 6,000 hours. This is a drastic improvement on the 1,500-hour change required by the standard oils used in Disco units and most other variablespeed drives.

The new oil with its 6,000hour change has a theoretical life of two years. As part of a preventative maintenance programme its use should considerably decrease the required maintenance, save both on down-time and lubricant oil expenditure.

Electropower Gears, Ayleseliminates the necessity for an bury, Bucks. 0296 24711.

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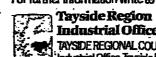
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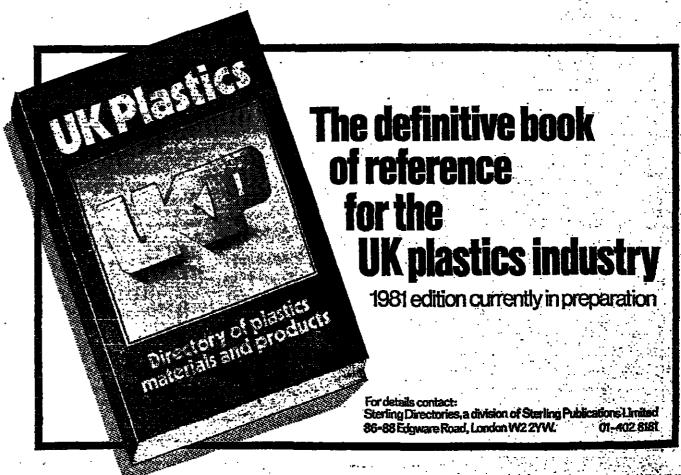
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# The dispute that gave Ford a painful surprise

Quentin Peel, recently in Port Elizabeth, reports on the volatile progress of industrial relations at the Cortina car plant

WHEN 700 black workers ditions in black townships. downed tools and walked out of Ford's liberal stance not only Ford South Africa's Cortina production plant in Port Eliza-beth last October, the stoppage took everyone by surprise. The management had believed it had a contented labour force, which recognised the benefits of the sort of enlightened employment practice it had introduced, in Ferreira, director of industrial keeping with a U.S. multi-relations at Ford South Africa. national in South Africa. The black workers' union, basking in the luxury of company recogni-the luxury of company recogni-sures: between the militancy of tion, which is enjoyed in only a its black workers and the

In the event, it took almost 12 resist "foreign interference." weeks to resolve, cut production at the prestige Cortina plant to tions about the operation of any less than 20 per cent of normal and cost the company some shop-floor militancy increas-R12m (£6.7m) in lost output. It lingly become an outlet for black sparked off parallel disputes at political aspirations? Will multi-two neighbouring plants, cost nationals be a prime target? the workers their annual Christ- How can a multinational reconmas bonus, and was only re- cile the conflicting racial and solved after international inter- political pressures? How should

The dispute has left race re-lations between black, white and coloured (mixed race) workers at the factory badly strained. (Each race has its own union.) Twenty workers are still facing prosecution for alleged intimidation, and the most prominent strike leader is being held in indefinite detention by the South African security police under the Terrorism Act.

For Ford, the experience has been particularly painful. The company has been one of the leading U.S. subsidiaries in leading U.S. subsidiaries in tion (PEBCO) last October held a series of protest meet-South Africa to adopt the code provided a political voice for ings, until the company of fair employment practices drawn up by the Rev. Leon first time since the mass and told the workers if they Sullivan of General Motors for bannings of black conscious- did not come to work, they U.S. operations in South Africa. ness organisations in 1977. It would have dishibled out. The This promotes black advance- was the demand by a white selves. They walked out. The ment, equal pay, desegregated Ford supervisor that Thozamile scene was set for a prolonged facilities, and the spending of Botha, chairman of PEBCO test of strength between the laste money on improving living con- and a trainee draughtsman at will of the management and the

fusion . . . Fear (of the law, or of abandoning one's own

principles). These are some of

the reasons why many com-

panies fail to ask, let alone answer, obviously important questions about their competi-tors' strengths, weaknesses and

So says William E. Roth-

schild, a senior executive of one

of the most competition-minded

multinationals in the world, U.S.

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failed to prevent the dispute, it may actually have aggravated it. "In the things we have been doing, we have definitely created expectations in the minds of people far beyond what we envisaged we could do in the short term," said Fred

The company was also caught handful of plants in the country.

was unaware of any burning grievances on the shop floor. The dispute was expected to be no more than a token demonstration. national pressure for change and a South African desire to

company in South Africa: Will vention, and the mediation of it react to labour disputes. U.S. diplomats in South Africa. whether political or industrial? Should it use, or ignore, un-registered black trade unions? Should it use South African

labour laws to resolve disputes?

That the strike was spontaneous, and its cause largely political, is not in dispute. It coincided with a sudden upsurge in political activity in the black township of Port Elizabeth—not only the motor industry capital of South Africa, but traditionally a barometer of black politics. The creation of the Port Elizabeth black civic organisathe black community for the decided to adopt a tough line.

Rothschild does not mince

words. "Many managers who



workers' union examine their pay slips after receiving them through a hole in the fence, at Ford's Cortina plant at Struandale, Port Elizabeth.

choose between politics and his job. which sparked the first walkout.

Then the dispute was complicated further by racial issues. The white workers at the Cortina plant held a meeting at which they attacked the company for taking the strikers back, and bitterly criticised the desegregation of facilities like union," Ferreira said. the works canteen, and black advancement

In turn, the black workers

Cortina plant, should the solidarity of the black workers applied to be rehired, workers.

> had clearly been racial and stayed away demanding unconpolitical, and the black union, United Automobile Workers' (UAW), had failed to play any significant role, in spite of the attempts of Ford management to involve it.
> "The workers bypassed the strike was as big a surprise for the union as it was for us."

> George Manase, national organiser of the UAW, said the issues were political; the ignored workers attempts at mediation. and demanded direct negotiations sented as a signal victory by the with the management.

> stand-off The between workers and lasted until mid-January. In "subject only to the avail-the meantime, some 200 ability of suitable positions."

sacrificing their accumulated So far, the issues at stake benefits, but the majority ditional reinstatement. Finally, according to Ford, the comfrom the Consulate in Cape Town to act as middlemen in

bringing the two sides together, because they were considered acceptable intermediaries to the workers. The diplomats had been keeping a watching brief on the dispute and had already been in contact with both sides.

The deal that finally emerged from this involvement was pread hoc workers committee. although both sides gave ground. management Ford agreed to reinstatement

The workers accepted that proviso, and agreed not to press for their lost Christmas bonuses. But although it was a com-promise, it was remarkable in South African industrial relations terms: the employer made a conscious decision not simply to replace its workforce from the plentiful ranks of the un-employed, while the employees managed to maintain a sufficient with the settlement. Govern-degree of unity to force a deal. ment Zini, for example, chair-Ferreira says that from the man of the ad hoc strikers' outset. Ford had decided it wanted its trained workers back, rather than to train a new staff. It was no answer to fill

The other surprising action of Ford, in South African terms, was in by-passing the Govern-ment machinery for labour dis-putes. Jaap Cilliers, head of the Government's Department of Manpower Utilisation, said during the dispute: South Africa has the best legislation in the world for handling situations such as that in Port Elizabeth. Outside interference will not be tolerated."

Yet the Ford management disregarded the disputes procedure. We could have invoked the industrial council machinery. but that would almost certainly have resulted in court action against some people," Ferreira "We tried to avoid a conflict in which outside forces extent, of making ourselves. They are also well aware of the would of necessity have been aware of the aspirations of particular vulnerability of brought into the picture."

Ford's own analysis of the dispute underlines one factor. Of the company's four factories Port Elizabeth, the Cortina plant was the one with the youngest, best educated and most ambitious black workforce. It was also the one with a charismatic leader. Thozamile Botha, who is now being detained by the security police. The situation was aggravated by the widespread black feeling levels. Because the UAW is that much greater.

that often their white super- an unregistered union, it faced American multinational, Ford is seen as an easy target. Whether Ford has bought

still uncertain, not least to the management. Both black and white workers are dissatisfied leave his former job as one of the six black production supervisors at the plant, and move to up the plant with other labour. a white-collar job. The It would not have resolved the management tells me I played reasons for the problems." he argued. International pressure also played a role.

a constructive role in the dispute," he says. "Yet the white man in charge of my former section says I am a terrorist, and refuses to work with me. The management will not face up to him. Can you see why I hate that man who is denying

me my juh?" The underlying problem of breaking down white racial resistance to black advancement is unresolved, and possibly aggravated. Not only has Ford raised expectations, but many blacks claim the company has not even lived up to its promises. Black advancement. they complain, has been pain-

to be a recipe for peace." Ferreira says. "The general direction we have moved in, of communicating to the maximum

would do again." shop-floor organisation and unpredictable stoppages, rather negotiation procedures at all than a concerted campaign, is

visors were less well-educated enormous difficulties in recruitthan they were. In addition, ment and organisation until it Ferreira is convinced that as an was recognised by Ford. The was recognised by Ford. The dispute proved that it is still not regarded as the natural channel for grievances by the itself lasting industrial peace is perience of negotiation is also blamed by management for the union failure. The rank-and-file workers rejected union talk of compromise. Unionists stress that Ford had not really allowed the union to develop into a strong bargaining unit prefer-

> But attempts to organise representative black trade unions. now operating with too common blessing since the report of the Wichahn Commission, may be too loss Forterra believes. The now operating with Government Government is being overtaken by the black labour movement. ready to move to where it thinks the black unions are, it will have been overtaken by expectations. We could be continuously

offering too little too late"

and union, and thus undermin-

ing its support in the work-

Certainly black activists are aware of the political potential of exploiting the growing skilled black workers. I don't think there is going Ford strike proved the workers have solidarity. The people have realised they do have some power," according to one Port Elizabeth community worker. multinationals exposed to intermodate them, of recognising the national adverse publicity. But black union-each one of these the black consciousness movehas a risk in it. But what we ments are not well organised have done under the circum-among workers, and are still stances was correct, and we divided with black trade unions over tactics. Thus while black The by-passing of the union workers are certainly growing is one aspect which clearly wor- more militant, they lack the ries the company. It is now formal channels of protest, and seeking to encourage better the likelihood of sporadic and

enough to continue to invest?

#### The perils of ignoring competitors Motors both did this in the case even detrimental-such as add-

lead profitable businesses tend to be overconfident," he argues begin to believe either that the

ither about how to obtain competitive intelligence, or about sification policies, this was al-what to do with it. A closely ways a problem, in that the drivrelated problem is point three. fear "that the company will be innovation tended to come from forced to employ illegal or unethical tactics to obtain the data it seeks."

are superior.'

This concern is completely unwarranted, he claims (though not everyone will agree with him): "The strategic data required to make effective analyses are available from legal, ethical and relatively convenient sources. The desire to tell the world and influence investors usually leads competitors to broadcast their investment priorities and strategy in a variety of ways." There are all sorts of outside sources of views and information on competitors, Rothschild adds, ranging from press cutting bureaux

to credit reports. What are the basic questions other customers may integrate "Investments are consequently that Rothschild thinks these backwards: Ford and General made that are unjustified or

in an article published in the misguided or indecisive manag-Mckinsey Quarterly.\* "Because ers should be asking, analysing of their past success in winning and anwering? Seven of the key the competitive battle, they ones are shown, right. They competitor is inept or that they wers are much less so.

One of the main proplems Of his second explanation for management myopia. Roth-schild says "Some business managers are simply confused."

One of the main problems with the first question is predicting who one's future competitors will be. Long before conglomerates came into fashion. glomerates came into fashion. with their unpredictable divering force behind any technical outside the industry most affected.

> Past and present examples include Edison with incandescent lighting, Marconi with wireless telegraphy, and Polaroid with instant photography. Now that microelectronics is beginning to permeate wide industrial sectors, the problem is even more acute, since competition can suddenly arise in the most unexpected quarters.

> To this, Rothschild adds the now classic point about "verti-cal integration": that the suppliers of components and materials for your finished product may decide to integrate forward and compete with you, for example. Equally, wholesalers or

Rothschild emphasises the im-portance of understanding your competitors' total financial situation, determining whether they profitable and balanced portfolios, together with identifying any serious problems they may have and the opportunities they are trying to pur- detailed knowledge of the com-

your industry is to the competition and marketing. tor and what its strategic purpose is. A competitor's commitment may be based on rational judgments or on emotions. On the rational side, it may be the anticipation of growth, strong customer needs, or some unique product or market strengththat is, your industry may be important to the competitor's future growth earnings perfor-mance or cash-flow position. "Often, however, emotions

play a significant part in decision making. The competitor's commitment may be based on such shallow reasons as: 'The CEO grew up in the industry and is emotionally attached to it,' or 'The business is the core from which the total corporation

grew '."
"Investments are consequently

On production, for example, of motor industry components, ing capacity when there is this involves an evaluation of its In answering question two, already overcapacity, introduct efficiency, its cost reduction proing new expensive modifications grammes and the state of its to gain share in a declining market."

Rothschild considers question four particularly important for its deceptive simplicity. Securing an accurate answer requires petitors' key managers, and of

capacity and supply arrange-ments, along with an understanding of the competitor's total resources for productionhuman and material."

One of the most complex to obviously the crucial final one:
"What will be the effect of question three, "you its strengths and weaknesses in all the competitors on the in-consider how important innovation, financing, produc-dustry, market and your

relate their assessments, they never see the consequences of one competitor intracting with

committed

#### ROTHSCHILD'S KEY QUESTIONS

Who is the competition now and who will it be in the

and goals? 3 How important is a specific national offices.

their evaluations too soon, says Rothschild: "They analyse one, two, even three competitors What unique strengths do the competitors have? but, because they fail to inter-Do they have any weaknesses

that make them vulnerable? What changes are likely in the competitors' future 7 What are the implications of

competitors' strategies on the market, the industry and one's own company?

McKinsey Quarterly, Autuma 1979. McKinney and Co., 245. What are the key competi- Park Avenue, New York, N. tor's strategies, objectives USA: 74 St. James's Street. London SW1; and other



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# The next stage of the EMS

BY JONATHAN CARR IN BONN

IT WOULD be easy to mis- meeting the deadline with this interpret the Franco-German option—but it is precisely this decision to delay introduction of the second stage of the European Monetary System ruling out with their decision (EMS). Those who saw further to wait. The politicians, in a development of the EMS as an nutshell, are controlling the essential step to greater Euro- technicians, not the reverse. pean integration, and believed that the French and Germans solution. This would mean thought so too, are now probably bewildered and disappointed. Those who poked fun at the scheme all along are no with development of the ECU doubt chortling with glee and as a real alternative to the saying "we told you so." Both reactions are wrong.

The position is this. The European Council of December 5, 1978, agreed that the initial phase of the EMS would come, relinquish its high degree of to an end "not later than two independence of government to years after the start of the a Euroepan body-if that body scheme." As the EMS did not begin formally until March, 1979, because of the Franco-1979, because of the Franco of Ministers? And would the German dispute over farm probrise of the ECU as an attractive lems, that meant a deadline of reserve asset stabilise the dollar March, 1981. According to the Council the next stage would entail creation of a European Monetary Fund (EMF), full use case? of the European Currency unit (ECU) as a reserve asset—all based on "adequate legislation at the community as well as the national level.

#### Peaceful

to go to the deadline, there remain widespread differences of view on just what this programme for stage two means in practical terms. But broadly there are three options. One is a minimalist solution presented by its advocates like this. The present EMS (which, they say, is really the old currency snake plus France behind a smokescreen of technicalities) is working rather well. Let's not rock the boat. When March, 1981 comes around we will re-name the present "European Monetary Co-operation Fund" a EMS? The answer from Bonn "European Monetary Fund," runs like this. British memberurge broader use of the ECU— ship would be highly desirable and leave it at that. Even some central bankers who are by no means enemies of European integration feel that this solu-tion promises a relatively peace-because they feel they benefit ful time. And central bankers, from it. On balance it is felt fortunately, are not men who

approach which Chancellor Helmut Schmidt and President Valery Giscard d'Estaing are

Then there is the maximalist establishment of a European Central Bank, with control over money supply, pooling of reserves and so on, combined dollar. Even the most dedicated supporters of the EMS must realise that this is more than one year away. Among the many questions raised are these two. Why should the Bundesbank were itself dependent on the decisions of national governments within the EEC Council or weaken it-and what would be the political consequences if the latter proved to be the

The ultimate objective must be to produce an EMS in which these questions are satisfac torily answered. But there is no point in trying to run before one can walk—and falling flat. Certain is only that the final objective must be kept in mind With little more than a year as the advance is made to the second stage of the EMS. This should thus be neither simply a face-saver nor an attempted "great leap forward." What could it involve? Among other things the development of the EMF and the European Investment Bank to fulfil the kind of role in Europe which the International Monetary Fund and the World Bank do at another level.

What of Britain-which is so far not taking part in the exchange rate mechanism of the EMS? The answer from Bonn but not essential to the further development of the system. No one is really in the EMS that Britain would have stood like to live dangerously. There to gain had it been a full would not be much trouble member right from the start.

# Hard sell for new jobs

FROM TIME to time new town development corporations or the local authorities of expanding towns have received a visit from a man who looks every inch the managing director seeking information on what the town

can offer his company.

The first contact is never followed up because the visitor is Mr. Douglas Smith, industrial adviser to Swindon. In the increasingly competitive business of attracting new jobs to towns he feels it is simply his job to keep in touch with the blandishments the "opposition

Since Mr. Smith, a former senior executive with Plessey and managing director of the Everard group, took over three years ago, Swindon's aggressive and competitive approach to marketing its advantages has had considerable success.
At least 8,000 new jobs have

been created, many in high-technology industries, and the local unemployment rate, which was touching 8 per cent four years ago, has fallen to 5.5 per cent — around the national

But perhaps more interesting than the crude total of jobs is the nature of many of the companies. They include head offices of financial and commercial companies moving from London. Others are high-technology industries with prospects for expansion—including half a dozen in computer sales, service Their arrival is part of a



SWINDON

long-term strategy. Three years ago Douglas Smith decided that Swindon should have a product policy and that electronics and pharmaceuticals would be most likely to grow and insulate the town from the threat of serious unemployment throughout the decade ahead.

Only unusual foresight has put Swindon in a position to attract such companies rather than being a ghost town following the gradual rundown of the railway works from a peak of 14,000 jobs to a low point of 1.800.

In the early 1950s, long before Lord Beeching had become famous, Swindon and its town clerk, Mr. David Murray John, assisted by many shop-floor railway workers on its council benches, foresaw the dangers of being a one industry town. With the help of the Town Development Act Swindon took the decision to expand, are Plessey and BL are just the largest of 300 companies that have subsequently moved in. Intel, the U.S. microproces-

Although there are no plans at manufacturing microprocessors in Swindon "has not been ruled

is constantly under review." Why has Swindon not only been spared the ravages of mass unemployment but looks as if it can go against the trend of deteriorating employment climate and prosper into the

out. The manufacturing position

The reasons which brought Intel to Swindon are indeed its main advantages. Communications are excellent—an hour by car down the M4 to Heathrow Airport, 55 minutes by Inter-City Paddington—land is available, and the country pubs of the Wiltshire Downs are 10 minutes from the town centre. There is also the fact that the local labour force has light industrial experience and the council makes sure that houses always available for

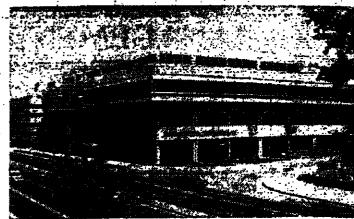
incoming key workers. "We have no trouble attracting people to work for Roussel not gets its fair share because in Swindon. Of the 130 staff of a lack of professionalism in

sors manufacturer, which has who moved from London only recently moved its Northern two returned and that was for European headquarters to domestic reasons," Mr. Brian Swindon, is just the sort of Costin, personnel officer of the company that is now being Franco-German pharmaceutical welcomed with open arms. The company, said. Among the staff company already employs 65 of the Science Research Counpeople in the town and is plan- cil who moved from Holborn in ning to build large campus-like central London last year it is offices which could see the said to be extremely difficult to workforce expand to 400, find anyone who would return.

But Mr. Smith is very conpresent for anything other than scious that all the time he is sales and service, Mr. David running to stand still. Last Colby, finance director, said that year there were 2,000 redundancies in the town, most of them at Plessey's Garrard turntables subsidiary, which has been facing severe Japanese competition.

He is prepared to go to great lengths to win a company thinking of moving to the town. He tells of the time officials clinched a film development in a day of talks that lasted beyoud midnight, He contrasts this dynamic approach with a local authority, with local unemployment approaching 15 per cent-which told an American company that arrived six days before Christmas asking to see sites-that it was too close to the holiday to show it around. Or the town where the industrial development team broke off talks because it was 5 pm. "My worry is that over the next decade the EEC is going

to attract a great deal of inward investment from the U.S. and Japan and that Britain will



Nationwide Building Society's administrative building in

Smith said.

By an act almost of its own will Swindon has been turned from what Mr. Joe Smith, Secretary of the Chamber of Commerce, called " a craft town founded on the railways into a head office type of town with a high proportion of administra-

Perhaps the happiest success story involves those Swindonians who are "inside"—the local name for the railway works; now British Rail Engineering, Mr. Harry Roberts, the works manager, came to close the works in the early 1960s. instead, employment has actually expanded back to around 3,500 and there are six good applicants for each of his 85 apprenticeships every year.

As BR's 125 Inter-City trains flash past his Victorian office Mr. Roberts is understandably pleased by the resurgence of

dealing with inquiries," Mr. the railways. Twenty shunting and short-haul locomotives have recently left the works for Kenya. Apart from its routine repair work, British Rail lu Swindon has produced the pretotypes of a revolutionary self-steering bogie developed at Derby and even made 20 ft bolts for Nigeria's offshore oil

Mr. Roberts is certain he knows why Swindon has had the foresight and will to pull itself up by its bootstraps when other towns have gone under. It is he says the influence of the railways. The pride in craftsmanship, the legacy of the Great Western Railway Which provided welfare, medicine and education for its workers long before such treatment was general, and even provided a hearse and four for their last

Ray Snoddy

# Another chance for Vitrek

sume at Kempton this afternoon on Cruise Missile.

Although this lightly-weighted four-year-old can be expected to go well off 10 stone pounds in the Littleton

#### RACING

BY DOMINIC WIGAN

Novices Handicap Hurdle over two and a half miles, two whom I prefer are Vitrek and the course and distance winner,

Vitrek was the subject of many a favourable comment here on January 19 when beating all except Starfen in the second division of the Walton Novices Hurdle. Always well track were all against Vitrek to the fore, Vitrek looked cap- and he was simply a spent

injury while schooling at New- speed proved his dewnfall on market last week, hopes to re- the run in from the final flight.

. Although Vitrek went down by five lengths in that event there is little doubt that the form was smart, for the winner previously gained a 15lengths success at Sedgefield while Brighton Marina—well held in third place—had also scored on her previous appear-As a result of that encouraging

econd-placed effort, Vitrek was all the rage for a division of Wincanton's novices hurdle 12 days later. After making rapid headway to take up a challenging position four flights from home, Mrs. Olive Jackson's four-year-old fell back equally quickly to finish down the field The only logical conclusion I draw from that performance is that the glue-like ground conditions on the Somerset

Once Upon a Time. 12.30 The

Thames News. 1.30 Together. 2.00 After Noon Plus. 2.45 Fri-

4.15 The Tomorrow 4.45 Magpie. 5.15

" Contraband

Television Programme.

News, plus FT Index

day Matinee: Spain." 4.15 Ti People. 4.45 M

Emmerdale Farm.

6.00 Thames News,

6.30 Thames Sport.

8.30 Hawaii Five-O.

7.00 The Muppet Show. 7.30 Play Your Cards Right.

9.30 Fully Licensed for Sing-

11.00 The London Programme:

11.45 Pro-Celebrity Snooker.

cept at the following times: **ANGLIA** 

1.25 pm Anglia News. 2.45 House-party. 3.15 The Spoils of War. 5.15 Happy Days. 6.00 About Anglia. 10.30 Seven Days. 11.00 Friday Late Film: "Madron." 12.40 am Man Who Matter.

CHANNEL .

12.30 am Close: Bernard Hepton reads poems by William

All IBA Regions as London ex-

The plot to scrap the ILEA.

ing and Dancing.

5.45 News.

10.00 News.

Blake.

10.30 Soap.

able of testing the winner to force in the last half mile. His aggravated that recurrent back the limit until lack of finishing smart effort against Starfen classified as firm.

With good ground anticipated for this afternoon he will have no excuses on account of the going.

Greg. a model of consistency all season, having finished in the frame on each of his seven appearances, has enjoyed a well-earned break since proving too good for 15 opponents in the opening division of the Egham Hurdle here December 27.

Revelling in testing condi-tions, in that event Greg outstayed Michelham Lad to win by two lengths with remainder well strung out.

#### KEMPTON

1.30—Concert Hall\*\* 2.00—King Vince 2.30—Vitrek\*\*\* 3.00-Lone General 3.30—Remigio

4.00—Washington Heights\* 2.50 Movie Premiere: "Shell Game." 5.15 The Rolf Harris Show, 6.00 Granada Reports, 6.30 Kick Off, 8.30 Vegas, 10.30 Double Vision, 11.15 Soap, 11.45 House of Horrors; "The

HTV 1.20 pm Report Wast Headlines, 2.45
The Friday Matines: "Shadow in The
Street." 5.15 How's Your Father? 6.00
Report Wast. 6.30 The Mupper Show.
7.00 Emmerdale Farm. 8.30 The Streets
of San Francisco. 10.35 Report Extra.
11.05 The Friday Film: "Ghost Story."
HTV CYMBU/WALES—As HTV Wast/
HTV General Service except: 10.31-10.45
am About Wales. 10.48-11.08 Am
Gymru. 1.20 pm Penawddion

Gymru. 1.20 pm Penawdau Nawyddion y Dydd. 1.25-1.30 Report Wales Head-lines. 4.15-4.45 Yn Gynt Ac Yn Gynt. 5.15-5.45 White Light. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.35 Aganda. 11.35-12.30 am Sidestreet. SCOTTISH

1.20 pm News and Road and Weather.
2.45 Power Without Glory, 3.45 Moneygo-Round. 5.15 The Electric Theatre
Show. 6.00 Scotland Today. 6.30
Emmerdale Farm. 8.30 Streets of San
Francisco. 10.30 Ways and Means. 11.00
Late Call. 11.05 Late Night Movie:
"The Split." **SOUTHERN** 

1.20 pm Southern News, 2.45 House-party, 3.15 The Spoils of War, 5.15 Mork and Mindy, 6.00 Day by Day, 6.00 Scene South East (South East area only), 6.30 Out of Town, 8.30 Fully Licensed for Singing and Dancing, 9.00 Crisis? The Energy Question, 10.30 Southern, News, Evers, 10.35 Crisis? Southern News Extra. 10.35 Crisis? The Energy Question.

TYNE TEES

12.30 pm Out of Town. 1.20 ATV
Newsdesk. 2.45 Fantasy Island. 3.45
Money-go-Round. 5.15 Happy Days.
6.00 ATV Today. 11.00 ATV Newsdesk.
11.05 Murder at The Movies: "The
Beast in the Celler." 9.20 am The Good Word. followed by North East News Headlines. 1.20 pm North East News and Locksround. 12.45 Friday Matinee: "Life is A Circus." 5.15 Laverne and Shirley. 6.00 Northern Life and Sportstime. 10.30

Beast in the Cellar."

BORDER

1:20 pm Border Naws. 2.45 Houseparty. 3.15 The Spoils of War. 5.15
Bailey's Bird. 6.00 Lookaround Friday. 6.30 Thingummyig. 10.29 Border Westher. 10.30 Look Who's Talking. 11.00 Friday Night Movie: "The Haunted House of Horror." 12.35 am Border Naws Summary.

1:245 Friday Matines: "Listense and Shirley. 6.00 Northern Life and Sportstime. 10.35 North East Naws Headlines. 10.35
12.30 am Epilogue.

1:20 pm Lunchtime. 2.45 Friday Matines: "The Whole Truth." 4.13
ULSTER

1:20 pm Lunchtime. 2.45 Friday Matines: "The Whole Truth." 4.13
Ulster News Headlines. 5.15 Mork and Mindy. 8.00 Good Evaning Ulster. 8.30 1.20 pm Lunchtime. 2.45 Friday Matines: "The Whole Truth." 4.13 Ulster News Headlines. 5.15 Mork and Mindy. 8.00 Good Evening Ulster. 8.30 Vegas. 10.29 Ulster Weather. 10.30 Sportscast. 11.00 Witness. 11.05 Friday Films "Hi-Jack." 12.20 am Bedtime.

CHANNEL

1.20 pm Channel Lunchtme News, What's on Where and Weather. 2.45 The Friday Matines: Columbo. 6.00 Report at Six. 6.36 In Search Of. 8.30 The Incredible Hulk. 10.28 Channel Late News. 10.32 Brown Study, 10.55 TV Movie Premiere: "The Hatfields and the McCoys." 12.10 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News Headlines. 2.45 Friday Matines: "The Great St. Trinien's Train Robbery," starring Frankie Howard. 8.00 North Tonight. 6.36 Sportscall. 8.30 Veges. 10.30 Reflections. 10.35 The Late Night Horror Show Blood on Satan's Claw," starring Partick Wymark. 12.20 am North Late Night Horror Show Blood on Satan's Claw," starring Partick Wymark. 12.20 am North Late Night Horror Show Blood on Satan's Claw," starring Partick Wymark. 12.20 am North Late Night Horror Show Blood on Satan's Claw," starring Partick Wymark. 12.20 am North Late Night Horror Show Blood on Satan's Claw," starring Partick Grand Ski Report. Grand Science Clemely Moor and Balmont editions). 6.35 Calendar Sport.

11.55 am The Animates. 1.20 pm Calendar News. 12.45 Friday Film Matinee: "The Voice of Marnil," star-ring Velerie Hobson. 5.15 Mork and Mindy. 6.00 Calendar (Emley Moor and Balmont editions). 6.35 Calendar Sport. 11.00 The Friday, Night Film: "Crescendo."

# ENTERTAINMENT GUIDE

THEATRES

West End Box Office 836 4207.

PALLADIUM. CC. 01-437 7573, YUL BRYNNER IN RODGERS & HAMMER-STEIN'S THE KING AND I, also star-ring YIRGINIA McKENNA. HOTLINE 01-437 2055. Evenings 7-30. Mats. Wed. and Set. 2.45. Some good seats available for Wednesday mats.

PHOENIX THEATRE, CC. 01-836 2294. Eves 8.00, Wed. 3.00, Sat. 5.00 & 8.30.

PRINCE OF WALES THEATRE 930 8681. Credit Card Booking 930 0846. An Evening with TOMBRY STEELE and his Company. Ergs. Mon. Thurs. 8.30. Frl. and 8st. 6.90 and 8.30. Book nos.

RAYMOND REVUEBAR. CC. 01-734 1593 At 7.00. 9.00. 11.00 pm. Opens Subs-PAUL RAYMOND presents THE FESTIVAL OF EROTICA. New Acts New Girls. New Thrills. 23rd sensational year, Fully air-conditioned.

ROYAL COURT. S. CC. 730 1745. Prevs. from 26 Feb. Project Arts Centre in THE LIBERTY SUIT.

ST. MARTIN'S. Credit Cards: 836 1443, Evs. 8.00: Tue. 248. Sats. 5.00 and 8.00. AGATHA CHRISTIE'S THE MOUSETRAN. WORLD'S LONGEST-EVER RUN. 28th FEAR.

TALK OF THE TOWN. 01-734 5051.
AIR CONDITIONING. CREDIT CARDS.
LONDON'S GREATEST NIGHT OUT.
From 8.00 Dining and Dancing. 9.30
SUPER REVUE "BURBLY." At 11.00
America's dynamic alinging star
CASHEARS. Dancing until 1.0 am.

VAUDEVILLE S. CC. 01-836 9988, Grp. Sales 279 6051, Evgs. 8.00. Sat. 5.30-and 8.30, Wed. Mat. 2.48, ALAN BATES in STAGE STRUCK. A new thriller by Simon Gray.

**OPERA & BALLET** 

COVENT GARDEN. CC. S. 240 1056 (Gardencharge credit cards 355 6903) THE ROYAL BALLET Ton't 7.30: Pour Schumann Piecesia Month in the Country/Elite Syncopations. Tomor, & Mon. 7.30: La Fin du Month in the Mon. 7.30: La Fin du Month in the Seening Beauty. The ROYAL OPERA Wed. 7.30: Engen Chegha, 55 August avail. for all peris, from 10 am on day of peri.

IR'S WELLS THEATRE, 837 3856
REST 1672, SADLER'S WELLS ROYAL
LET, Ton't 7.30 and 1cmor 2.30
LET, Ton't 7.30; Coopella
S Thu 7.30; Coopella
Grand Tour. (Seats only evail, for

ASTORIA. CC. S. 01-734 4291. 01:439 8031. 01-734 4359. Mon. to Thirs. 8.00. F1. 4 Sat. 5.10 & 8.50. IPI TOMES. 5TH GREAT YEAR. Lowest Prices Musical in the West End. Sects 52 £3. £4. £5. Reduced Rate Group Bookings 01-437 3856 Uspecial offers,

MAY FAIR. S CC. 01-629 3036 Mon-Thur 8.00 Fri Sat 6.00, 8.45. SUSANNAH YORK. DANIEL MASSEY, OONALO PICKERING, FRANCES WHITE IN APPEARANCES by SIPON Beemussa after Henry James. TOWAL THEATRE S. CC. 928 2252.
VIER (open stage): Ton't & Tomor
CHARD III by Shalespeare (must and
March). Extra Benefit perf Syndey Pext
10. theatre opens 5.30. **THEATRES** Prilip Martin.

Philip Martin.

COTTESTOF (Small auditor(um)): Eugene

COTTESTOF (Small auditor(um)): Eugene

COTTESTOF (Small auditor(um)): Eugene

The at a small auditor(um): Eugene

The at a small auditor(um): The at a small auditor

MAN (COMETA). (Please be punctual—

issus 5 hrs.)

Excellent cheap seats from 10 am day of per all 3 theatres. Car park. Pertaurint

928 2033. Credit card bigs 928 3052.

AMBASSADORS. CC. 01-836 1171.
Eros. 8.00. Fri. and Sat. 5.30 and 8.30.
DINSDALE LANDEDN. GWEN WATFORD.
DAVID BURKE, ANGELA DOWN In
BOOIES by James Saunders. Last weeks
—must end March 1st.

ARTS THEATRE 01-836 2132. TOM STOPPARD'S DIRTY LINEN. Mooday in Thursdays 8.30. Frt. and Saturday 7.00 and 9.15. NOW IN ITS FOURTH YEAR LOWEST-PICCE best seats in London. £4.00, £3.35. £1.55. piss 15s Temp. members. Sat. £4.85. £3.85. £1.85.

CAMBRIDGE 01-836 6056, Credit Cards accepted 01-836 7040, Mon. to Fri. 8.00. Thur. 3.00. Sat 5.00 and 8.30 THUR 3.00 SAT 5.00 AND SAT 5.00 SAT 5.00 AND SAT 5.00 SAT

COMEDY THEATRE. CC. 930 2578. Mon. Sel. Mais. Fri. & Sat. 6.30. THE ROCKY HORROR SMOW. Group sales Box Conce 01-579 6061

GARRICK, CC. 01-835 4501, Evgs. 8.00, (sharp), Frl. and Sat. 5.30 and 8.30 Gareth Hunt in DEATHTRAP. GLOSS THEATRE S. CC. 01-437 1592.
Group cales 379 5051. Ergs. 8.00. Mgt.
Wed. 30. Sat. 5.0 and 8.15. Beryl Reid.
Barry Foster, Peter Bowles. Jan Waters
in a new play by Peter Nichols Bowles.
IN THE GARDENS. Directed by Ciliford
Williams.

GREENWICH THEATRE 5, CC 858 7785, Egs. 8.00. Mats, Sat. 7.30 Liberty HALL, A new play by Michael Franc

HAYMARKET. CC. 01-930 9832. Evenings 8.00. Wed. 2.30. Sats. 4.30 and 8.00. Gerald Harper. Kate C'Mara in the Sherbock Holmes Mystery THE CRUCIFER OF 81,000 by Paul Glovanni. LAST 2 WEEKS. ENDS MARCH 1.

HAYMARKET THEATRE CC. 01-930 9832. Evgs. 8-00. Mat. Wed. 2-30. Sat. 4-30 and 8-00. DOROTHY TUTTIN, DONALD PLEASENCE. REFLECTIONS, A new play by John Peacock. Red. price prevs. Mar. 11 and 12. 8 pm. Opens. March 13, 7-00.

HER MAJESTY'S THEATRE 930 6606.
Opening March 19. The award winning
Broadway Musical ON THE TWENTER
CENTURY Reduced price previews from
March 10.

KINGS HEAD. 226 1916. Dar 7. Show 8. CATCHPENNY TWIST BY Stewart

WYNDHAM'S. S. 536 3028. CC. Rigs. 379 5565. Tets only £1.80, £3. £4. Nightly 6.10 nm Richmond Friega in THE FRIMARY ENGLISH CLASS Nightly 5.40 nm Bet & Bisch in ACCIDENTAL DEATH OF AN ANAR-CHIST.

THEATRES

CINEMAS

CASSIC 1. 2. 3. Haymarket (Pictadilly Circus tabe). 01.839 1527.

1: AFGCALYPSE NOW DO. A 70 mm Dokly Surveo presentation, Frogs. 1.30, 4.30, 7.40.

2: RISING DAMP (A) Progs. 1.05 (not Sun.). 2.45, 5.25, 8 05.

3: Dudley Moore '19' (X) Progs. 7.00 (not Sun.). 3.03, 5.40, 8.15.

CLASSIC 1, 2, 3, 4. Oxford St. 01-636
0310 topp, Tottenham Court Rd, Tubel.
11. NIGHTWING (AA), Props. San. &
WK. 1.15. 5.40; 6.05. 8.30.
22. Clini Estimood ESCAPE PROM
ALCATRAT (AA), Props. 1.40. A.00.
6.20. 8:40.
21. Whoo'r Allen MANHATTAN (AA).
Progs. 12.50. 2.50. 4.50. 6.50. 8.50.
42. RISHING DAMP (A), Props. San. &
WK. 2.00. 4.05. 6.15. 8.15.
51. THE LORD OF THE RINGG (A), Scp.
peris. 2.00. 5.00, 8.00.

ODEON HAYMARKET (930 2738-2771).
JILL CLAYBURGH IN BERTOLUCCYS
LA LUNA (X), Sep, peris, WKs, 145,
5.03, 8.10, Sun, 4.30, 7.45, Late highs
show Fit, and Sat, 11.45 pm,

DEON MARBLE ARCH W2 :723 2011-2: ONE FLEW OVER THE CUCKOO'S NEST (X) Sep. progs. Sun., Fri. 3.45, 7.40, Sac

PRIMCE CHARLES Laic. Sq. 437 8181.
World Premiere Presentation NIGHT
GAMES U.U. Sep., peris. div., Hrc., Sun.)
2.45. S.55. 8.35. Lair Show Fri, and Sal.,
11.15. Seets bkbie, Lit'd bar. TUDIO 2. 3 & 4. Orderé Circle. 437 3300. Licensed Bar. 12.30. 2.45, 5.25. 22 "18" (O. Progs. 12.30. 2.45, 5.25. 305. Late Show Sat. 11.00. 3: THE DEER MUNTER (X). 12.45, 4.05. 7.30. Labe Show Sat. 10.50. 4: APOCALYPSE NOW CO. Seo. Peris. Dly. 1.45, 4.50. 8.00. Late Show Sat. 11.10. Seats Bookable.

CLUBS

has outlived the others because of a cy of fair play and value for money-per from 10-3.30 am. Disco and ton ickns. glamorous, costesses, exciting r shows. 189, Regent St. 734 0557. ARGOYLE 63. Draw Street, London, Wi. NEW STRIPTEASE FLOORSHOW CLOSE STRICOUNTERS II 11-2.30. arm Shows at Midnight and 1 am. Mon-Fri. Gosed Shipridays, 62-437 6455.

ART GALLERIES

FIELDBORNE GALLERNS 63, Queens Grove, NWS. 355, 3600 Paintings SPEAR GORE, WOLFE, WEIGHT, ROSO-MAN. Grathies SIDNEY NOLAN, CERT RICHARDS, JOSEF HERMAN, COKEN,

FINE ART SOCIETY, 748, New Bond Street W.1. 01-829 5116. BEATRICE HOW, 1967-1932. Also THE ABBEY THEATRE, 1904-1979. LEFEVRE GALLERY, 30. Bruton St., W.1. 01-493 1572-3, 1996 & 20th CENTURY PAINTINGS AND DRAWINGS on view-Mon.-Fri. 10-5.

VICTORIA PALACE CC. 01-828 4735-6, 01-834 1317. EVS. 7.30. Mats. Wed. and Sat. 2.48 ANNIE. Group Sales Box Office 01-379 6061. LUMLEY CAZALET, 24, Davies St., W.T. 499 5058, 20th CENTURY ORIGINAL PRINTS—Braque, Ernet, Matisse, Moore.

WAREHOUSE, Commbr Theatre, Combot Garden Box Office 336 6808. S. Royal Shakespeare Company York: tomor last peris (sold out) Srocht's THE CAUCA-SIAN CHALK CIRCLE.

THACKERAY GALLERY, 18 Thecharty St. Renainston Se. W.E. 937 Section of the Control of the Contro

BANDFORD GALLERY, Covent Garden, 1: Metter Street, Long Acre, WC3, Man. 522 1-6, JOHN BRATEY, RA. 30 YEST retrospective, 270 WORKS.

† Indicates programme in black and white

6.40-7.55 am Open University (Ultra high frequency only). 9.05 For Schools, Colleges. 11.25 You and Me. 11.40 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Mister Men. 2.02 For Schools, Colleges. 3.20 Pobol y Cwm. 3.53 Regional News for England (except London). 3.55 Play School (as BBC-2 11.00 am). 4.20 Roobarb and Secret Squirrel. 4.30 Jackanory.

Perishers. 5.40 News. 5.55 Nationwide (London and South East only).

6.45 Olympic Grandstand. 10.15 Points of View

5.10 Grange Hill. 5.35 The

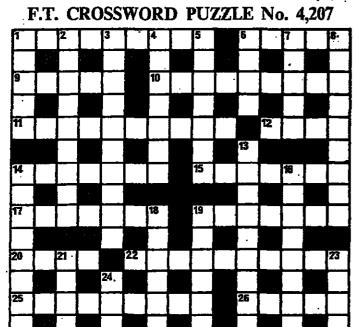
7.55 Top of the Pops. 8.30 Francis Durbridge pre-

6.20 Nationwide.

sents Breakaway. 9.00 News. 9.25 The Eddie Capra Mysteries.

and South East only). †10.20 The Lucy Show. 10.45 Regional National News.

10.50 The Best in the Ballroom: The Carl-Alan Awards. 11.25 The Late Film: "Games." starring Simone Signoret.



ACROSS 1 Thanks returning to stage

6 Appear to be a little dearer 6 Complaint if large enough (3, 2)9 Pole in anger shooting 7 Wood found on shore we target (5)

bitter about (9)

11 Appropriate transfers (3, 5, 2) 12 Church with first century elegance (4) 14 Mimi's an eccentric giving 16 Army officer the French

15 Moorland (7) 17 Key to getting thinner daily 19 Deceive metorway's guide 19 Complaint disclosed during spot check (7)

20 Is back about father (4) 22 Excellent school beginners (5, 5)25 Not quite in middle of effort NEC might make

26 Disgusting

first (5)

promotions (10)

2 Copper

material (5) 27 Give up interest (5). Welsh symbol (3, 6)

DOWN

4 Uncommon title arranged for me a lord (7) 5 Draw off space in bar (7) could reach baron (4)

10 Stand for salesman to feel 8 Explain how to vote (3, 6) amateur 13 Stop hiding chance to insure (5, 5)

natural objects a soul (7)

18 One enters list of duties to make merry (7)

> 21 Plunder with one arm (5) 23 Keep quiet even in Polish 24 Look after 10d (4)

Solution to Puzzle No. 4,206 COMEBACK DOGGIA A E R H V Z S BODLEJAM MEJGHD ring inside 28 Blushing to centinue end- ACUATIMESTAMCE lessly with standardised WMMH SS 5 0 7 MM 1 Period when fool appears A R T G M T M SA/LIW SCEMARIO learned to be careful in small way (5-4) 3 Some of the plans for

All Regions as BBC-1 except

Wales-1.45-2.00 pm Cwmtgili. 5.55 Wales Today. 6.20-6.45 Hedidw. 10.15 Week in Week out. 11.05 News for Wales. 11.06 The Best in the Ballroom. 11.40-1.37 am The Late Film: "Tea and Sympathy," starring Deborah

Scotland-11.00-11.20 am For Schools (Around Scotland). 12.40-12.45 pm The Scottish News. 1.00-1.30 Gearcall. 5.55-6.20 Re-10.45-10.50 Regional, National

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.29 Scene Around Six. 10.15 The Man with the Black Glove, 10.45-10.50 Regional, National England-5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle);

Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 10.15-10.45 East (Norwich) Times Remembered; Midlands (Birming-ham) The R & D Show; North (Leeds) A Horse of Us Own; North East (Newcastle) Coast to Coast; North West (Manchester)

ton) More Than Yesterday?; South West (Plymouth) Parallels; West (Bristol) Public Life. BBC 2 6.40-7.55 am Open University.

11.00 Play School. 4.50 pm Open University. †5.40 Harold Lloyd. 6.00 Monkey. 6.50 Delia Smith's Cookery

Course. 7.15 Mid-Evening News. 7.30 In The Country. 8.00 Robert Lowell: A Life Study of American poet. 9.00 Pot Black.

9.25 Pro-Celebrity Golf.
10.15 Jazz played by Clarence
"Gatemouth" Brown, Jay
McShann, and B. B. King. 10.45 Shakespeare in Perspective — "The Tempest": personal view by Laurens van der Post.

11.25 Friday Night , , , Saturday Morning. 12.15 am Closedown

LONDON 9.30 am Schools Programmes. 11.55 Cartoon Time. 12.00 A Handful of Songs. 12.10 pm RADIO 1 5.00 am As Radio 2, 6.00 Dave Lee Travis. 9.00 Simon Bates, 11.31 Paul Burnett. 2.00 pm Peter Powell, 4.31

Burnett. 2.00 pm Feter Fower. 4.31 Kid Jensen. 5.30 Newsbeat. 5,45 Round Table. 7.30 Anne Nightingsle. 9.50 Newsbeat. 10.00 The Friday Rock Show (S). 12.00-5.00 am As Radio 2: RADIO 2
5.00 am News Summary. 5.03 Steve
Jones (S) including 5.15 Pause For
Thought. 7.32 Ray Moore (S) including
8.27 Racing Bullatin, 8.45 Pause For
Thought and 9.03 Top Five Albums.
10.03 Jimmy Young (S): 12.03 pm David
Hamilton (S). 2.03 Ed Stewert's
Request Show (S). 4.03 Much More
Music (S). 5.00 News. 5.05 Waggoners'
Walk. 5.20 Much More Music (S). 6.02
John Dunn (S). 8.02 Friday Night is
Music Night (S). 9.56 Sports Desk.
10.02 Roy Castle. 10.30 Donta presents
Sounds of Latin America on record.
11.02 Biran' Matthew weth Round Midnight including 12.00 News. 2.02-5.00
am You And The Night And The
Music (S). RADIO 2

10.35 Young Artists Recital (S). 11.30 Mendelssohn Cello Sonata No. 1 (3). 12.00 Music From Russie, part 1 (S). 1.00 News. 1.05 Music From Russia, part 2 (S). 2.00 The Arts Worldwids. 2.20 Moods, Impressions and Memories (S). 3.20 Love Songs (S). 3.55 Comparing Notes (S). 4.55 News. 5.00 Mainly For Pleasure (S) (‡and mono only from 6.20). 7.00 Weber (S). 7.30 One Pair of Ears. 7.25 Play It

GRANADA
11.50 am Stemp Stories, 1.20 pm
Granada Reports, 2.00 Live From Two.

11.02 Brian Matthew wath Round Midnight including 12.00 News. 2.02-5.00
am You And The Night And The
Music (S).

RADIO 3

\$\frac{4}{25}\$ Shipping Forecast, 6.30
Today, including 6.45 Preyer for the
Dgy. 7.00, 8.00 Today's News, 7.30,
\$\frac{15}{25}\$ am Weather. 7.00 News. 8.05 Morning Concert (S). 9.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This
Week's Composer: Victoric (S). 9.45
BBC Northern Ireland Orchestra (S).

RADIO 4

6.00 am News Briefing. 6.10 Farming
Today, including 6.45 Preyer for the
Now. 7.00 News. News. 7.05
News Headlines, 7.45 Thought for
the Day. 8.35 Yeaterday in Parliament.
4.30 London News Desk. 6.35 Look,
ONEWS Desk. 6.35 Look,
Stop, Listen. 7.03 Bisck Londoners.
9.45 Enquire Within, 10.00 News. 10.05
BBC Northern Ireland Orchestra (S).
Deily, Service. 10.45 Four Frightened
2. RADIO 4

People. 11.00 News. 11.05 Warmen of Words. 11.50 Bird of The Week, 12.00 Words. 11.90 Bird of The Week, 12.00 News. 12.02 pm You and Yours. 12.27 My Music (S). 12.55 Weather, programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping fore-2.20 Moods, Impressions and Memories (\$) 3.20 Love Songs (\$).
3.55 Comparing Notes (\$), 4.55 News.
5.00 Mainly For Pleasure (\$) (\$ and mono only from \$6.20). 7.00 Weber (\$).
7.10 One Pair of Ears. 7.25 Play it Again (\$), 7.30 Academy of St. Martinine Fields Octat, concert, part 1 (\$).
8.15 Tha Female Muse (roading). 8.35 Concert, part 2 (\$). 9.15 There is A The Archers. 7.20 Pick of The Week Balm in Gilread. Negro spirituals on record (\$): 9.30 Who Killed General Mihailavich? (talk by Professor Viedimir Dedijer), 9.55 20th-Cantury Ballats (\$).
11.05 Dvorak (\$). 11.55-12.00 News.
VMF only—8.90-7.00 am and 6.20-7.00 pm Opan University.

RADIO 4

# A modern period masterpiece

by NIGEL ANDREWS

Black Jack (U) Classic Poly Messidor (A) Female Trouble Academy 2

Whatever happened to Kenneth Loach? The silence has been long and deafening from the erstwhile British prodigy who made Poor Cow and Kcs and Family Life, the last of these way back in 1971. Yesterdecade's white hope of UK cinema has had nine years of reluctant non-productivity in which to lose his shine and start corroding at the edges. It's not surprising that some film-makers in Britain give up on an in-dustry that so consistently allows them to rust away unused. Most of them either pop off to Hollywood or pop back to television if, like Loach from whence they came.

Well. Loach is back on the big screen, and with a Britishmade film to boot. And if that isn't sufficient reason for dancing in the streets, then the film itself is. Black Jack is a British masterpiece. It takes a period adventure novel by Leon Garfield—an 18th Century tale of persecuted children, scheming adults and fairground eccentrics — and embroiders around the story's wittily intricate outlines a stunningly loose and vivid recreation of old England. At a stroke, Loach has discredited and rendered obsolete the old tics and tropes of movie and a television costume drama—the studied postures, the antique-veneered speech, the chessboard formality of the mise-en-scene—and made 1750 seem " next-door neighbour

to 1980." From the outset, Black Jack is galvanised by the cine-verite immediacy and no-nonsense story-telling that were Loach's strengths with contemporary tales. With scarcely a by-yourleave, we're swept into a Byzantine plot involving a hanged convict's escape from his coffin assisted by the young boy set to guard the "corpse." The con-vict is the titular Black Jack, he is signific of frame and hilarious capital out of his de-French of accent, and he flationary approach to "dra-cheated death on the gallows by matic" moments. A young boy

found confusion or enrich richness, there's a travelling fair with whose members the trio links up and in whose compact, intensified cross-section of humanity—from acrobats to quack doctors, from dwarfs to giants—Loach finds a crazily inspired microcosm of 18th Century society.

How the film looks and how it sounds are two different, but equally miraculous, things. Chris Menges's colour photography creates an old-English dream landscape that is some-how still anchored in harsh reality. In the high-contrast interiors the windows surge with light while the dark corners are sinister and impenetrable. And out in the summer fields the green and sap-rich beauty of the countryside houses the ragged, tumbledown caravans of the fair. Beauty and penury co-exist in a heady, haunting chiaroscuro.

The dialogue, by contrast, makes a virtue of colloquial, off-the-sleeve banality. characters talk-unprecedented in period films!—not in set sententiae but in the vague and ragged parlance of every-day speech. There's a sense of dither and danger, of surprise, of a bracing, funny bathos. In at least one scene Loach makes

slipping a bent spoon down his from the travelling fair, hearing spared another nine before "terrorists," and 'ere long throat! about Belle's wrongful intern. Loach's next. they're outlaws and mavericks

throat!

During their ensuing, impromptu exploits as highwaymen, Black Jack and Tolly (the boy) come to the rescue of Belle, a young girl mistakenly thought to be mad by her rich family and being conveyed by coach to a lunatic asylum. The film rolls and rumbles on through the trio's adventures, and through the trio's adventures, and through the highways and byways of 18th Century society, or the price, then one owner asks his colleague if he has any ready cash, then the colleague if he has any ready cash, then the colleague of he swilder—and the scene grows through the trio's adventures, and through the highways and byways of 18th Century Society, or the price, then one owner asks his colleague if he has any ready cash, then the colleague of he swilder—and the scene grows through the highways and byways of 18th Century Society, or the price, then one owner asks his colleague if he has any ready cash, then the colleague of he swilder—and the scene grows through the trio's adventures, and through the highways and byways of 18th Century Society, or the price, then one owners. First through to two girls adrift in 18th Century England to two girls adrift in modern Switzerland. The latest of Alain Has any ready cash, then the colleague if he switzerland. The latest of Alain Has any ready cash, then the colleague of Switzerland. The latest of Alain Has any ready cash, then the colleague of Switzerland. The latest of Alain Has any ready cash, then the colleague of Switzerland. The latest of Alain Has any ready cash, then the colleague of Switzerland. The latest of Alain Has any ready cash, then the colleague of Switzerland. The latest of Alain Has any ready cash, then the colleague of Switzerland. The latest of Alain Has any ready cash, then the colleague of Switzerland. The latest of Alain Has any ready cash, then the colleague of Switzerland. The latest of Alain Has any ready cash, then the colleague of Switzerland. The latest of Alain Has any ready cash the colleague of Switzerland. The latest of Alain Has any ready and through the highways and byways of 18th Century society, every-so-often returning to the narrative straight-and-narrow of Tolly's attempts to keep the girl from the madhouse and Black Jack's attempts first to thwart him (there's a £10 reward for the girl's delivery), and later when Belle is actually interned to help him rescue her.

Meanwhile, further to con
melodrama to a master-cameo of bitch-hiking, decide to pal up of bewildered spontaneity.

Black Jack is a joy of a film: a period tragicomedy in every-day speech and a movie that ingradually slip into a taste and a period tragicomedy in every-day speech and a movie that ingradually slip into a taste and a period tragicomedy in every-day speech and a movie that ingradually slip into a taste and a period tragicomedy in every-day speech and a movie that ingradually slip into a taste and a period tragicomedy in every-day speech and a movie that ingradually slip into a taste and a period tragicomedy in every-day speech and a movie that ingradually slip into a taste and a period tragicomedy in every-day speech and a movie that ingradually slip into a taste and a period tragicomedy in every-day speech and a movie that ingradually slip into a taste and a period tragicomedy in every-day speech and a movie that ingradually slip into a taste and a period tragicomedy in every-day speech and a movie that ingradually slip into a taste and a period tragicomedy in every-day speech and a movie that ingradually slip into a taste and a period tragicomedy in every-day speech and a movie that ingradually slip into a taste and a period tragicomedy in every-day speech and a movie that ingradually slip into a taste and a period tragicomedy in every-day speech and a movie that ingradually slip into a taste and a period tragicomedy in every-day speech and a movie that ingradually slip into a taste and a period tragicomedy in every-day speech and a movie that ingradually slip into a taste and a period tragicomedy in every-day speech and a movie that ingradually slip into a tast

THE ARTS

What the film doesn't resolve is what we're supposed to make of this odd and determinedly apolitical odyssey. The girls are motivated more by whimsically impulsive self-interest than by any crusading, down-with-society zeal, and the movie follows them about with a fascinated neutrality, refusing to praise or condemn, or to edge them towards a militant posture. It's like an emotionally neutralised Bonnic and Clyde hypnotic but without passion, eautiful without involvement. Tanner's career seems to pen-dulum-swing between the politically hyper-programmed—his films scripted by Marxist John Berger—and the wilfully pokerfaced. Messidor is firmly in the latter camp: you may gaze at its Sphinx-like beauty, but don't expect it to open its mouth too readily to answer your questions.

There's nothing poker-faced. Heaven knows, about Female Trouble Banned by the censor, this bleeding chunk of knock-about notoriety from America will bare itself for your delectation at the Scala cinema, where it's showing under club conditions. John Waters made it, Divine stars in it, and you should see it. It's a mini-holo-caust of high-pitch High Camp and slam-bang Bad Taste: with a plot that drags its drag-queen heroine through a Royal Pro-gress of nymphomania, murder, hysteria, near-the-knuckle dialogue and off-the-bone ham acting. It's like Andy Warhol in Sensurround, it's lewdly, jubilantly funny, and if you

aren't rolling in the aisles after 10 minutes I'll refund the price of your popcorn.

Publicity boost

The Society of London Arts Publicists (SLAP) was launched this week to co-ordinate the activities of those working to expand the audience for the

Its membership, drawn from performing bodies, venues and funding organisations, plan regular seminars at the Institute of Contemporary Arts to exchange ideas.

On March 18 the subject will be direct mail techniques and on May 13 problems of con-tractual billing will be dealt with by a panel including lan Albery, managing director of Wyndham Theatres, and actress

Transfer Secretaries:

February 22 1980

Consolidated Share Registrars Limited



Gentle, deceptively gentle, social observation—to call it satire is to over-labour the point—is a peculiarly English genre; and Sir Osbert Lancaster is currently its most distinguished exponent. His eye is sharp and mischievious, his jokes funny, and the quality of his drawing matches his wit with an equally idiosyncratic and thoroughly visual felicity, no matter whether it is engaged with the sagz of the Littlehamptons, the horrors of architecture, or the essential strangeness of Abroad. Until February 28 the Redfern Gallery is full of prime examples of his work.

#### Wigmore Hall

### Medici Quartet/Ortiz

The series of British string and inflecting, but Miss Ortiz quartets which the Medici gave was content to dispatch the in the Purcell Room last passage work with the minimum November provided conclusive of effort and much stridency of proof that, among younger tone. Beautiful movements were ensembles, they are now an established, highly accomplished force. Hearing them again on Modneyday in most familiary to be found in the string playestablished of the proof of the pro Wednesday in more familiar swoon, the violins affectingly territory confirmed a great many caressed the interludes of the of their virtues. Schubert's A minor Quartet D 804 began the second movement, only to have the spell broken by the piano's latest of the Wigmore Hall's hammered central Virace.

Debenham Concerts"; not by Between the chamber w

have recorded the work, and slightly better, but even here SLAP will also act as a pressure group, representing the interests of publicists to man-appments. SLAP will also act as a pressure group, representing the interests of publicists to man-appments.

Between the chamber works any means the easiest work to Miss Ortiz interposed a group bring off, and the Medici did not of three efflorescent pieces of always succeed in conveying Debussy. generating much successfully the fragility of its counterfeit excitement. The lyricism, but the smoothness of basis of the performance the ensemble and the confident, appeared to be an entirely misbroad lines of the argument taken view of what works such were quite obviously the result as "Poissons d'Or" and "Reflets of extended, careful preparadons l'eau" are. Crystalline outtion. Cristina Ortiz joined the streams of barely connected Quartet for Dyorak's A major notes and a hard, unmitigated Piano Quartet. The same forces sound: L'Isla loyause fared

ANDREW CLEMENTS

take the initiative, moulding <u>gge</u>

# Anglo American Coal **Corporation Limited**

(Incorporated in the Republic of South Africa)

companies for the year ended December 31 1979 together with the comparative figures for the year ended December 31 1978.

RESULTS FOR THE YEAR ENDED DECEMBER 31 1979 The following are the audited consolidated results of the company and its subsidiary

Turnover         386 238         508 444           Profit before taxation         106 577         87 580           Deduct:         17 480         17 479           Taxation—South African Normal         17 354         12 881           —Equalisation         34 834         30 360           Profit after taxation         71 743         57 220           Less: Profit attributable to outside shareholders in subsidiary companies         6 232         4 492           Profit attributable to shareholders of Ameoal         65 511         52 728           Dividends declared:         5 638         7 047         5 638           No. 112 of 30 cents per share declared February 21 1980         14 095         11 276           21 142         16 914
Profit before taxation         106 577         \$7 580           Deduct:         Taxation—South African Normal         17 480         17 479           —Equalisation         17 354         12 881           Profit after taxation         71 743         57 220           Less: Profit attributable to outside shareholders in subsidiary companies         6 232         4 492           Profit attributable to shareholders of Ameoal         65 511         52 728           Dividends declared:         No. 112 of 30 cents per share declared August 2 1979         7 047         5 638           No. 113 of 60 cents per share declared February 21 1980         14 095         11 276           21 142         16 914
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No. 112 of 30 cents per share declared August 2 1979       7 047       5 638         No. 113 of 60 cents per share declared February 21 1980       14 095       11 276         22 142       16 914
Number of shares in issue       23 491 438       23 491 438         Earnings per share (cents)       278.90       224.50         Dividends per share (cents)       90.00       72.00
Dividend cover 3.10 3 12 Net expenditure on fixed and mining assets 57 634 71 611

The annual report will be posted to members on or about March 18 1980. DIVIDEND NO. 113

Dividend No. 113 of 60 cents per share (1978; 48 cents per share), being the final dividend for the year ended December 31 1979 has been declared payable to members registered in the books of the company at the close of business on March 7 1980. This dividend together with the interim dividend No. 112 of 30 cents per share declared on August 2 1979 makes a total of 90 cents per share (1978; 72 cents per share).

The transfer registers and registers of members will be closed from March S to 23 1980, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about April 17 1980. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on April 8 1980 of the rand value of their dividends, less appropriate taxes. Any such shareholders may, however, elect to be paid in South African currency provided that the request is received at the offices of the company's transfer secretaries in Johannesburg or the United Kingdom on or before March 7 1980. The effective rate of non-resident shareholders' tax is 15 per cept. non-resident shareholders' tax is 15 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the company and also at the offices of the company's transfer secretaries in Johannesburg and the United Kingdom.

By order of the board ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

Secretaries per: P. J. Eustace Senior Divisional Secretary Registered Office: 44 Main Street Johannesburg 2001

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After an uneventful, unexcepmentalists, and by five other been the most heartlessly and tional account of Mozart's groups of five players each; unyieldingly efficient perform-Haffner Wind Serenade K388, five sorts of timbres predominate of Schoenberg's Chamber Symphony over the light

Festival Hall/Radio 3

the BBC Symphony Orchestra under Michael Gielen gave the first British performance on Wednesday of a work by Gielen written between 1960-63, Penta.—in the manner of the 1960s—phonic seems to belong to that a huge quantity of events, some numerous genre of compositions of the 1960s which made the most present of cated performance by any means, but a no-nonsense reading, beautifully phrased and moulded, supremely capable, which even at its most vivacious himself. It was not a new work: Into this frame, Gielen squeezes cated performance by any away from the restricting of no perceptible raison detre. fire or inner light. It was and the media.

The tacking on of (part of) a unusual, and in its way, impressive; but I found it difficult to be a sive; but I the most urgent efforts to break ing: but together, as a whole, showed hardly a trace of inner agements, performers, artists interretation; the planist should forced too bistantly. or what, to break, substituting only other formal devices for serialism—and as often as not, those devices, too, for inner

surrounded by five solo instru- through what must surely have and puzzled.

nate; the music itself is constructed from a set of five intervals and their inversions.

Into this form a Set of five symphony not a similarly doubt. The tacking on of (part of) a long and very beautiful poem by Neruda is an entirely transparent, but vain, attempt to impose unity and character on a euphoric ragbag of sketchbook scraps.

Clementine Amouroux and Catherine Retore in Messidor.

Gielen by Dominic GILL

Symphony ever to see the light helieve in an approach which seemed to have, and to demand, so little engagement — the clearest, unclouded surface, without undercurrent or depth. As its title announces. It was Gielen whom I heard at its brightest translucent, but Pentaphonie is built on fives: a beat the Ensemble Internever radiant. I left the concentral obbligato piano is Contemporain in Paris last year cert not moved, but intrigued,

# The Ballet in Florence

great strides, as the Nozze di Figuro which inaugurated the steps to revitalise the theatre's corps de ballet, and — as the third offering of the season (after a revival of Butterfly)the company has been seen in two varied, taxing programmes, which have given an adequate (and heartening) picture of the present state of the troupe.

two-bas imposed, from below. so to speak, a new attitude. theatres—at least the most alert, like the Comunale—are

> Alan Bates to leave cast of 'Stage Struck'

Also joining the cast are awards Shella Gish and James Cossins. Lenny Ian Ogilvy was recently seen Gould. in the West End playing opposite Penelope Keith in The Millionairess.

Gould, and Nadme Baylis.

Lewis. Christopher Norton, and Edward Lambert are among others who benefit from the Arte Council others.

senting a theatre ballet com- of irony). In both the works, pany—the "house" company— the deft partner was Francesco Nureyev for the first profirst in Apollon Musagète
gramme and Carla Fracci for (Balanchine, reproduced by
the second. But, on both
occasions, the troupe was also
Chan: du Compagnon errant,
seen on its own, in works
and finally in Aurora's wedding. especially designed — or rewith another guest. Alexandra designed—for them. Thus, on Radius as the wakened beauty, the first evening there was Here, again, the company had a John Butler's Night piece, chanc choreographed last June for the team. chance to shine, singly and as a The Fracci programme included Les sylphides and the bulcony scene from the Prokofiey-Cranko Romeo and Juliet, Florence ballet; and on the second evening there was the world premiere of Andante pomeridiano by Eugene Polyakov, now Florence's maitre de ballet. The Butler work, to Berg's Lyrische suite, is a nocturne, dominated by Marga Nativo-Florence's prima ballerina—as an ambiguous queen of the night, lyrical and sinister. The work is of no

with the visiting Jonathan Kelly as the star's partner in both. Fracci, a national heroine in Italy, was warmly applauded (and she was, in fact, excellent, especially in the Prokofiev), but Kelly was received with almost equal enthusiasm, and rightly, sinister. The work is of no great consequence, but it shows the company off to good advantage. The same, more or less, can be said of Andante pomeridiano, to Richard Strauss's Duetto-concertino for clarinet, bassoon, strings and harn Half the girls are dressed charm Native and Renne with clarinet, bassoon, strings and sion of the Menotti Unicorn, harp. Half the girls are dressed starting Nativo and Bruno, with in Theda Bara style, the other the lithe Maurizio Tamellini as half (and the boys) in shiny the poet—concluded the second body-stockings. The per-programme (and, incidentally, formance was notable for its finish, its ensemble. Here, the Comunale, Roberto Gabbiani, a finish, its ensemble. Here, the Comunale, Roberto Gabbiani, a protagonist was another leading chance to show off a select group Florentine dancer, Cristina of choristers).

#### Arts Council dance awards

Ian Ogilvy joins the east of Arts Council has approved Simon Gray's comedy thriller dance awards to choreographers, Stage Struck at the Vaudeville designers and composers, for Theatre on March 17 when Alan new works commissioned by professional dance companies. Among those who receive awards are Karen Rabinowitz,

Under its scheme to assist choreograph a work for EMMA creative talent in dance, the Arts Council has approved dance awards to choreographers, for Karen Bell-Kanner, for a

Christine Juffs, Jonathan Burrows. Jon Groom, Julia Vaughan Lewis. Christopher Norton, and Edward Lambert are among

#### by WILLIAM WEAVER The standard practice, in pre- Bozzolini (who has a nice touch In the past few years, through

the active efforts of Riccardo Mufi, with the necessary support of the Teatro Comunale's is to invite one or two super- invited in the stage in winter season amply demon-strated. At the same time, the Comunale's directors have taken

For all Italian opera houses, ballet has traditionally been a secondary concern; but in recent decades the emergence of some undeniable stars—Carla Fracci in Milan. Elisabetta Terabust in Rome, to name only There are also unmistakeable signs of a new, growing public for the ballet (and the triumphant success of visiting companies, even the most experimental, confirms increased interest). So the giving ballet more attention and, where possible, a larger slice of the budget.

Bates leaves to fulfil a film

Westerdijk, Douglas and Nadine Baylis.

for Karen Bell-Kanner, for a ballet. The Unicorn. Gorgon and Manticore, from the music of Menotti.

Bracken house, cannon street, london ecap aby Telegrams: Finantimo, London PS4. Telex: 8954871, 883897 Telephone: 01-248 8000

Friday February 22 1980

# Mr. Volcker's second try

THE ROAD to perdition is he is genuinely prepared to littered with good intentions. follow through the logic of the Since Mr. Paul Volcker took over as chairman of the Federal Reserve Board, international investors have been confident about the Fed's intentions to control the money supply and quell inflation. But even the latest evidence of monetary tightening, which began with last week's increase in the Federal discount rate, leaves room for doubt about the ultimate destination of the road which is being followed by the

#### Courageous

The Fed's decision last October to focus attention on the reserves of the banking system, rather than on the Federal Funds interest rate, was acclaimed as an important stride towards a less inflationary economic order, both for the United States and for the other countries where America's excess liquidity was having an inflationary effect. It looked like a tough and courageous initiative, particularly in a preelection period and with a recession already on the way. The sharp rise in short-term interest rates that followed the October measures was accompanied by a resilience in the bond market which indicated confidence in the Fed's ability to bring down inflation, even without much obvious assistance from the Administration on the fiscal

It has taken four months for the Fed and the markets to convince themselves that the psychological impact of bold gestures and good intentions is not sufficient to, check fundamental economic forces. As U.S. inflation edged steadily higher and money supply continued to swell, it became increasingly Fed was not putting its new monetary convictions into practice. Whatever officials said in public, the markets became convinced that there was a target range of between 12 and 14 per cent for the Federal Funds rate and that the Fed was prepared to pump additional money into the system if upward pressure

desired structure. Volcker has growth than about provoking a ing the Federal Funds rate to ment for making the attack on rise above 16 per cent. But it inflation the primary economic is still by no means clear that

follow through the logic of the October measures by abandoning interest rate targetry altogether and giving unambiguous primacy to monetary

Like all central banks, the

Fed is torn between its roles as

regulator of an orderly banking system and as custodian of the money supply. In the Fed's case the conflict is especially pronounced because of the pecu liar legal framework in which American banks operate. The ability of banks to opt out of the Federal Reserve system, the unlimited access that member banks have to the discount window, through which emergey funds are still available at 13 per cent, and the precarious solvency of some of the smaller banks, have all tended to thwart the Fed's efforts to control the monetary base. It was perhaps too much to expect the Fed to expose the American banks immediately to the full rigours of widely fluctuating interest rates entailed by monetary base control. Indeed accurate control is probably impossible without some reform of the anachronistic banking laws.

But the fundamental difficulty the Fed faces is the widespread fear among American voters and businessmen that interest rates are already far too high. As in Britain, the effects of high interest rates on housing costs and hence on consumer prices are attracting attention.

#### Cash flow

But when inflation is running at over 15 per cent, prime rates of 15% per cent do not appear excessive, particularly when interest payments are tax deductible, as they are for American apparent in January that the men Positive real interest rates are an integral part of any attempt to control inflation through monetary policy. Unfortunately, the cash flow effects bear particularly painfully on countries such as the U.S. and Britain, which have high inflation, and therefore require nominal interest rates to be system if upward pressure extremely high. The German market interest rates and Swiss central banks have threatened to break out of the met with less political opposition in driving their interest rates up, to support their exrepeated to Congress that he is change rates as the dollar more worried about allowing strengthens. But then, it is further excessive monetary hardly surprising that a sound recession. He has acted to duct when inflation is already push up interest rates, by allow- under control: a further argu-

# **Questions on** aid policy

the Government's statement on British overseas aid. It was good to hear Lord Carrington, the Foreign Secretary, tell the to say on this. Instead it said that a slide towards protection-industrial considerations would ism will make us all suffer- now join developmental ones, even if in practice there always that bilateral aid would be seem to be exceptions to such further tied, that the unnoble sentiments. But on aid itself the government was in increased, and a tight hold general nebulous and, where it would be kept on multilateral did deal with specifics, was largely misdirected.

#### Bilateral

It is sad that within one week of the release of the report of the Brandt Commission the British government should apparently reject one of its main recommendations — the need for an increased transfer of resources to the Third World. It is even more disturb-ing that the Government should consider its own review of its aid programme complete before Ministers had even read the Commission's report;

In 1978 British overseas development aid totalled £728m. Three-quarter of this was given on a bilateral basis and onequarter through multilateral be questioned. In practice such agencies. As a proportion of a fund means that short-term GNP this amounted to 0.48 per commercial interests often overcent according to revised figures. ride sound development plan-This is above the levels of West Germany (0.38 per cent) and at expenditure on multilateral the U.S. (0.27 per cent) but aid programmes, in principle below the 0.7 per cent target this is sensible. But Britain adopted by the UN.

The government's emphasis on the need for realism has to be matched with the reality of the problem of the Third World. admit that it has inherited many severe and particularly hit EEC programmes—is one where countries such as Bangladesh least can be changed. possible, they are likely to be and India. One danger is that cutting back on aid tends to breed ill will—as, in an extreme case, the Americans found to their cost in Egypt in the 1950s.

THERE IS little to welcome in he pleaded recently in the U.S. Congress on behalf of a pro-posed aid programme. But the British Government had little that political, commercial and allocated aid budget would be

All these intentions are questionable. The political criteria involved change with governments and this one is more concerned with preserving countries within the Western orbit than the nature of their

regimes Commercial and industrial considerations may sound reasonable, but in practice connecting aid to them tends to do exactly what the present Government does not like, that is distort market forces. Already 70 per cent of bilateral aid is tied to procurement in Britain.

#### Rural poor

Increasing the unallocated aid fund is also an idea which can ning. As for looking critically is locked into a number of programmes and can manoeuvre little. The one-third of the multilateral programme spent on aid through the World Bank group The government is the first to of institutions is on the whole well used. It would be no harm commitments from the previous to look at contributions to UN administration. Where cuts are agencies but probably the area which is most debatable—the

The Conservatives' desire to retreat from the previous government's stress on assisting the rural poor in the poorest countries has been widely heralded. A second problem is that But the nature of its first major increased prosperity in the statement of its plans has only Third World is essential for its underlined how much debate tability.

has yet to take place. A full pardeadly deliberation, "I am going Perhaps representing the This last point was empha-liamentary discussion of the to do it my way, do it slowly, crucial bridge between Nkomo One of the fascinations of going

# Question marks over jobbers' future

BY CHRISTINE MOIR

whole-hearted confidence from thrown out in court customers, the hesitant opening of an international role . . . mercial storm.

Simultaneously, it is under threat from the restrictive practices legislation. The reference of the Stock Exchange's rule book to the Restrictive Practices Court could mean that a uniquely British creation, the pure trader in financial securities, might be extinct within five years, wiped out by legal flat.

So powerful are the pressures on jobbers as they enter the 1980s that it is not at all acade. mic to ask whether they will survive the middle of the decade. There is little complacency among the 17 firms which comprise the jobbing com-munity and such optimism as exists is clouded by doubt.

#### Joker in the pack

The joker in the pack is the court reference. In 1982 or 1983 the Stock Exchange's two principles — single i.e. the absolute capacity. separation between broker (principal) (agent), and a fixed minimum broker's commission—will be potentially scrutinised illegal restrictive practices. The outcome is far from certain.

Among the jobbers themselves the forecasts range from the wholly pessimistic—" the Stock Exchange hasn't a hope in hell of winning"—to the barely hopeful — "I am marginally confident that we. can persuade the court of the for single capacity." There is not even a consensus as to whether the Stock Exchange ought ultimately to defend its rule book if the outcome looks as if it will be decided purely on a legalistic interpretation of what constitutes a restrictive practice.

Of one thing the jobbers are certain. If the concept of a fixed minimum commission for brokers were ruled to be illegal (the principle believed to be vulnerable in the court) single capacity would have to go. The pressure from brokers to maintain profitability in the face of reduced commissions would force the Stock Exchange to give them entry their own right

Most of the major jobbing

OLATHE one-way mar- not rate highly their chances must be suffering because of kets, contracting turnover of remaining independent if their dependence on in UK equities, less than the Stock Exchange rule book is

-among the smaller firmsthe British jobbing system is there is, on the contrary, a which they specialise, at present in the eye of a comthe reference. These firms believe confidently in their ability to make a living as specialist traders in limited areas whether competition is increased by the adoption of dual capacity or not.

The lack of homogeneity among the 17 trading firms that fall within the definition of a jobber in their attitudes. pre-occupations and priorities is such as to make a mockery of the frequently heard taunt that "the Stock Exchange Council is dominated by the that It also makes difficult any broad assessment of where the pressures for change are heaviest and where any changes could lead.

There is an enormous divide between the two biggest firms, Wedd Durlacher Mordaunt and Akroyd and Smithers which each have a capital base prob-ably in excess of £20m, and the J. Medwin and Lowry (with six partners) and S. Jenkins and Son (with three). Between lie Bisgood Bishop, Pinchin Denny and Smith Brothers in a distinct size class but with more differences than similarities in their make-

These differences mean that the survival tactics likely to be adopted if single capacity is abandoned vary widely. Diversification for a jobber, most agree, would not be easy. Some would, therefore, try to become the securities trading arm of a financial services conglomerate. Others would seek entry to new trading areas such as the Eurobond or money markets.

Mergers with merchant banks are the most frequently men- business are clearly suffering. tioned possibility though every firm denies that contingency discussions along such lines are being held at the moment. Some would be tempted to leave the Stock Exchange and operate outside as licensed dealers in securities with possible ventures into new areas of financial services as long-term plans.

Surprisingly none of the firms ems to be preparing concrete plans against an eventuality which is by no means remote. The probable explanation is that jobbers believe there is real promise within a couple of before the court's attitude is clarified during the hearing. even more immediate commer-

Here again priorities differ firms believe those pressures widely: problems acute for one Public Spending Borrowing would spell their demise as firm barely impinge on another. Requirement should fall pure market traders and force It is no secret that at present sharply (jobbers. remember them into the arms of financial Wedds and Akroyd are main- 1970 when Mr. Roy Jenkins was conglomerates through mergers taining their profitability able to announce a marginally with brokers or absorption by through gilts dealings, that negative PSBR). This in turn merchant banks, discount Smiths is looking for the new would dry up the lucrative houses or insurance companies. overseas dealings rules to conliving to be made at present Although the largest firms will solidate its lead in gold shares, through the high turnover in

equities. The smaller firms have fortunes which vary according At the other end of the scale to the fluctuations of turnover within the individual sectors in

> Within these differences only one common pre-occupation occurs: the volatility of a market which is increasingly one-way for sustained periods. With the decline of the individual investor and the rise of the institutional savings vehicle the two-way traffic which balances buyers and sellers has given way to strong buying or selling trends which strain the capacities of the jobbers whose duty it is to offer a price to any customer.

Mr. Jimmy Bisgood, chairman of Bisgood Bishop, believes this tendency to one way markets to be the greatest threat to the jobbing system. His view is shared by all the

leading practitioners.

The effect is heightened in the equities market by the contracting numbers of deals in recent years. Mr. Val Powell, senior partner of Pinchin Denny, points out that during the 1972 boom the average number of his firm's daily bargains amounted to 9,000. At the height of the 1977 boom the average had dropped to 3,000. Together, one-way markets and contracting turnover create extreme short-term

The plain fact, as Mr. John Robertson, senior partner of Wedds, candidly admits, is that UK equities "have not been adequately profitable" for

Without the high turnover in gilts which is at present subsidising equities, some jobbers would need to be seriously looking at their equities books and it would be the leading stocks which would loom largest as the least profit-Those without gilts

# **Nagging**

Curiously, however, there are few indications that individual jobbing firms are prepared to stop making a market in any particular stock. Gilts may be the business to be in today but the jobbers share the belief that the equities market shows little opportunity for manoeuvre years, and the nagging fear that the gilts market could decline.

The success of the Tory Also, they are preoccupied with administration's monetary and economic policies is the most ardently debated topic meeting of jobbers. If Mrs. Thatcher's policies succeed the not admit it publicly, they do and that Pinchin and Bisgood new gilts issues.

equities continues to contract in real terms and morale among dealing staff on the equities pitches is causing concern. A few firms admit to having staff poached by dealers outside the market, lured by the promise of high turnover in international equities or fixed interest securities with the accompanying high

Yet a curiously ambivalent attitude prevails towards the Stock Exchange's initial moves to widen the firms' access to erseas markets. The rule change has not, of course, been adopted yet and considerable opposition is expected from leading brokers with established international business of their own. But dramatic raids are discounted even if the opportunity is given to the jobbers to compete on international

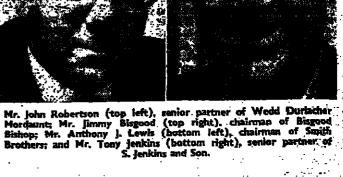
"We shall have to suck it and see," is the general reply. The smaller firms are constrained by matter of shifting stocks at a the financial burdens of opening foreign dealing operations and providing back up facilities at The more financially flexible firms expect to start picking up European business and Eurobond trading but not in any sudden rush.

However, suggest that a decline in the gilts market because of an improvement in the economy would go hand in hand with a revival in UK equities, stimulated by returning confidence in British industry both at home among individual investors and from foreign investors recognising the advantages of a petro-currency and of reviving industrial output. If that dream comes true the

jobbers will sigh with relief and make real efforts to exploit the new openings for international trading created by the abolition of exchange controls and the relaxation of the Stock Exchange's rules on overseas dealings. If the Tory Government fails or a Labour Government is returned in 1984 . . . the jobbers prefer to draw a veil over such a future. Meanwhile turnover in

time of high interest rates.

It is not easy to determine whether this is admirable caution or inertia: the firms in a position to mount major international campaigns are also those making handsome livings in traditional gilts markets. For Smith Brothers, of course, the expanded opportunities in the South African markets will be seized with both hands. Wedds little to fear short term and could find the new rules allowing them to deal as principals in local markets more than compensatory.



squeeze margins while volume circumscribed, in equities, by declining.
To compensate

jobbers have recently begun to widen their spreads—the difference between the prices at which they will buy and sell--but they point out that spreads have not widened in proportion to costs in recent

Nevertheless, the tendency, a time when investors already believe spreads to be too wide, has given rise to fears that the jobbing system is under-capitalised for the scale of dealing demanded by the new wave of institutional investor and could be seriously strained.

that the system is under-capital-ised. Jobbing, they point out, which is simple trading, is a profit. For covering their residual short-term positions the clearing banks and money brokers continue to provide all the financial facilities that are needed. There is not a dealer who will

admit to having turned away a line of stock because of strain on the firm's capital base. That, it is argued, is not the same thing as turning down a line of stock at a certain price because the dealer cannot see a profit in taking it onto his books for The jobbers argue that the in-

stitutional fund managers confuse the two points. As traders the jobbers claim to be widenis looking forward to expansion ing their spreads simply in European and Australian to match their costs in stocks and Akroyds believes it order to make profits. Without profits they would simply not particularly before the New make markets in stocks, thereby York opening. But in the main it depriving the investors of the looks as if the brokers will have single most important element of the market-its instant liquidity.

Some will, however, admit to ompensatory. from the tendency for markets revive the private investor and Meanwhile the difficulties of to be increasingly one way re-create the stable two-way the domestic equity market With turnover sluggish jobbers tend to have first priority. High are having to hold positions for interest rates and inflation- longer than the optimum trad-

fuelled overheads continue to ing period which is normally the fortnightly account at the end of which they have to settle their transactions.

In a sense, therefore, jobbers are accepting or selling lines of stock not on pure considerations of short-term margin. They are being forced unwillingly into the position of investment trusts having to take a view on certain equities as investments rather than trading stock. This imposes a capital strain. In addition to having to find the

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capital to finance their trading business—expensive in days of high interest rates but always available—they are tending to need more permanent capital to match what can only be described as investment portfolios. As far as can be judged the Stock Exchange's constant monitoring of members' financial affairs is not producing "early warning" signals, so the problem does not appear to be

acute. Yet it cannot be dismissed as easily as some jobbers

#### Anybody's guess

It is one of the side effects of low turnover and one-way markets which are a prime commercial threat to the jobbing system. "How long we can keep going with increasingly one-way markets is anyhody's guess, says Mr. David LeRoy Lewis. chairman of Akrovd.

No wonder the jobbers have their hopes pinned on success. policies and are urging the speeding up of the promised taxation review. This could, by offering incentives for personal saving or, at least by neutralising the fiscal advantages now a problem of risk capital arising enjoyed by the institutions. market which is the only guarantee liquidity.

# **MATTERS**

#### Spinning out

the agony

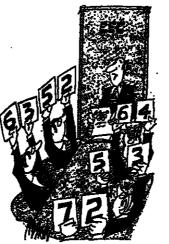
It is all well and good for the companies seeking compensa-tion for assets nationalised by Labour to threaten action in the Court of Human Rights at Strasbourg. But there are those among them prepared to admit that such moves are likely only to prolong the agony and who have been told by lawyers at the end of it all there is not much chance of even that august authority coming out on their side.

The managing director of one company currently bogged down in the arbitration quagmire tells me he has been ad-vised that success is "unlikely." The only thing to do now, he says, is grit his teeth and battle

on.
Like the managers of the other 11 companies locked in combat with the intransigent Tories, he is growing increasingly frustrated by the cavalier treatment being meted out by the alleged champions of free enterprise. "I reckon it could take about 15 years to sort it out," he tells me. "In the meantime the Government is borrowing from me at 10 per cent and my capital is being devalued by about a fifth each year. At the end of it I shall have just about enough to buy a Kit-Kat.

"It is a banana republic situation but it is happening here. The Government has an admirable system to slow everything down to crawling pace. proportions which should please Whether this is by accident or the Post Office, ringing everyone design I do not know, but it is from Kurt Waldheim to Lord certainly working."

My confidant, who insists on keeping his name out of print lems enough, refuses to give in Acton, a barrister, told me graciously and accept the sesterday: "I have spoken to Government's lowly offer of compensation. "If I am going to commit suicide," he says with deadly deliberation, "I am going Perhaps representing the



the French case against an Olympic boycott-first, style and presentation . . .

#### Springing Todd

FEW PRISONERS out on bail can have more loyal relatives than Garfield Todd, 71, former prime minister of Rhodesia. Charges against him of aiding and abetting terrorists were dropped yesterday after intensive lobbying by, among others, New Zealand, Nigeria and Zambia.

Administering to all three governments, as well as the Foreign Office, a determined and continuous prod from behind has been Todd's son-inlaw Richard Acton. He has been Carrington since Todd's arrest two weeks ago.

Married to Todd's daughter because he already has prob- Judith, at present in Rhodesia.

the whites, Todd is widely seen primary, says my colleague as one of the few positive Jurek Martin, is to renew been in detention on almost fashioned "dirty tricks" poli-every crucial occasion in tics—and 1980, it seems, will Rhodesia's recent history he was not frightened by his arrest-connected with a £200 donation to Zanu — but was worried that his activities would be impeded by the legal

As for Acton. 38-year-old heir back in court on Tuesday fighting out a matrimonial case. In the meantime he will be getting some sleep.

#### Salty soup

There were salt tears in my soup at Kettners famous Soho restaurant yesterday as the stunned waiters obsorbed the news that they had lost their jobs. Eyes brimming, the manager explained to mystified lunchers that the place had been shut down by the owners, De Vere Hotels. "You are my last customers," he grieved.

Leslie Jackson De Vere's deputy chairman, was much less emotional. "We need to modernise our kitchens," he offered by way of explanation. But was it necessary to sack all 30-odd staff? "The work will be of a major nature, so we closed it. Hopefully we will reopen in late summer or early autump."

Only hopeful? "Look," he told me crossly, full of proprietorial righteousness, hold the freehold and the board's present intention is to reopen." But plans might change? "We have planning permission for offices and residential accommodation, but it is now a scheduled building which would make for difficulties.'

#### Party turns

sised by Mr. Cyrus Vance, the Brandt report would provide a and take as many civil servants and Mugabe, and in turn up to New Hampshire every U.S. Secretary of State, when good opportunity for this.

elements in Rhodesia. Having acquaintance with good oldtics—and 1980, it seems, will not be a let-down.

A central figure, as always, is William Loeb, publisher of the Manchester Union Leader newspaper, the state's biggest daily. Loeb believes, quite simply. that Ronald Reagan is the only conceivable saviour of America. to former Rhodesian indus-trialist Lord Acton, he will be mankind and the planet, and is prepared to offer him his own unique brand of assistance. Last year, when another

Conservative. Congressman Philip Crane, seemed to be making inroads, Loeb ran several prominent articles suggesting that Crane was both a heavy drinker and a notorious womaniser. Now that George Bush has emerged as the main threat, the target has shifted. This week, in addition to the usual daily diet of lurid anti-Bush cartoons and the constant re-hashing of an old charge that in 1970 Bush took cash from a secret Nixon slush fund, the union leader ran a front page editorial under the graphic beadline "George Bush says go and then expletive deleted yourself."

It told of a purported conversation between the candidate and a doctor in Florida, in which the latter is said to have pressed Bush for his views on abortion rather insistently-to the point where, the paper claimed, Bush let loose the aforementioned expletive. This Loeb trumpeted, was unbecoming of a Presidential candidate and implied he would lose his cool in the White House.

#### Golden fish

Sign over a bowl of goldfish in a Lancashire pet shop: "Send a couple to Sir Charles Villiers -they open their mouths with-out asking for money."

Observer

# advice for employees about to retire

Choice, the official magazine of the Pre-retirement Association is again combining with Pontin's to present another series of holidays specially designed for people

about to retire. A 6 day course with full board accommodation, interesting lectures, recreations and evening entertainments costs little more than £50 inc. VAT. Phone: (0202) 295533 or send the coupon for

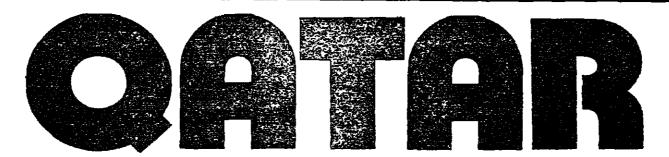
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# FINANCIAL TIMES SURVEY

Friday February 22 1980





The state's oil revenues and its stability have combined to create vast wealth, and even when the oil runs out there are huge natural gas reserves to fall back on. Meanwhile Qatar is prudently shaping its long-term plan to diversify its industry.

# Change steady pace

By Patrick Cockburn

times bemoan the quiescent existed on what the sea could state of the economy and the offer—fishing, pearling, trade methodical pace of develop- and intermittent piracy. Today ment. When the wilder excesses some 2,000 people are still emof the 1974-77 boom throughout ployed in fishing but the rest the Gulf are recalled, their point of the economy is entirely de-

is understandable. Equally surprising, however, is the degree of change which have been started since the be-Qatari society has been able to ginning of the last decade use absorb since independence nine gas as feedstock. The Governyears ago. In deciding against ment had hoped that such injoining a federation Qatar did dustries would provide 20 per have a well-established oil cent of the national income by industry to sustain it, but its the 1990s, but with the inindigenous population was only creased oil prices this figure some 45,000. At that time its must be markedly reduced. oil was only commanding some-thing over \$2 a barrel, annual revenues were about £50m and 1969 imports cost £22m.

The following decade saw rapid development but objectives have been limited by what is attainable within so small a state. Qatar has never had Dubar's ambitions to become a limited reserves it is difficult trading entrepot or Bahrain's to see this policy continuing desire to become a banking far into this decade, but Qatar

The wealth of Qatar is vast end of the OPEC spectrum and only in proportion to the size politically close to Saudi Arabia of the country. Oil revenues and Abu Dhabi.

in excess of what the Govern-ment was estimating for 1980 at the beginning of last year. Nevertheless, Qatar produces

only 500,000 barrels a day, or 1.6 per cent of OPECs total production. Reserves are limited at 5.6bn barrels and no But when the oil runs out the country can fall back on massive reserves of natural gas north-east of the peninsula.

Apart from these hydrocarbon resources Qatar has virtually no natural assets. In the centuries before oil was first pro-duced in 1949 the tiny and EXPATRIATES IN Qatar some- poverty-stricken population had pendent on oi! and gas.

The basic industries which Indeed Qatar's economic posi-

tion is strong enough for the Government to keep more of its appreciating oil assets in the ground. Up to now Sheikh Abdel-Aziz al-Thani, Minister of Finance and Petroleum, has declared that oil production will remain the same. Given the has always been at the moderate

should rise above \$5bn this year thanks to the increase in inter-oil producers Qatar is a major national oil prices. This is \$2bn source of funds for pan-Arab organisations and projects. In recent years aid disbursements have dropped to about 7.5 per cent of revenue but this proportion is now thought likely to

Before Egypt's agreement with Israel. Qatar had contrinew major finds are expected, buted \$400m to the Gulf Organisation for the Development of Egypt (GODE) and was one of the four shareholders in the Arab Organisation for Industrialisation (AOI) which had planned to establish an arms industry primarily based in Egypt. These are now effectively dissolved in the wake of Israel-Egypt treaty.

However, Qatar is committed, under the terms of the Baghdad summit agreement, to give \$230m a year to the confrontation States of Syria and Jordan as well as the PLO and the Palestinians living in the occupied territories.

Solidarity

The revolution in Iran has inevitably increased the degree to which Qatar has looked to its neighbours for solidarity in preserving Gulf security. This primarily means looking towards Saudi Arabia, from which it is separated only by a shallow lagoon. The close links with Saudi Arabia are reinforced by common membership of the Wahhabi religious sect.

In general, however, Qatar feels itself a long way from the troubles of Iran, and its political initiatives are seldom outside the consensus of conservative Arab States. With them it shares a political difficulty. While vulnerable to any enemy because of their relative smallness in terms of population.



Qatar's ruler, Sheikh Khalifa Bin Hamad at Thani: all important decisions flow from him

year's budget. QR 4.9bn against QR 3.9bn. This does not neces-

sarily mean a radical turn-round

in policy since past allocations

have seldom been fully spent.

Political uncertainties in the region have sapped enthusiasm

for long-term projects in the

private sector and, more signifi-

captiv. high international in-

ternational interest rates prove

very alluring to depositors.

Interest rates which the banks

can offer within Qatar are held

very low by the Qatar Monetary

ment is heavily concentrated in

Ramad at Thani who assumed

Agency.
Control within the Govern-

wealth, by the same token they to the mass of the population, are also not keen to have any without more construction work.

overmighty friends offering proovermighty friends offering protection. Hence the certain lack ture will be greater this year, of enthusiasm in the Gulf for with outlays on major pro-President Carter's offer of protection.

In Doha, the capital, where most of the population live, the atmosphere is notably relaxed. External political events hardly impinge. There seems to be little chance of a return to the business boom which came after the 1973-74 oil price rises since the Government cutback in the middle of 1977.

This has had the effect of reducing inflation to only 9.0 per cent from a peak of 45 per cent five years ago. Possibly the cutbacks have been too severe and it is difficult to see how the benefits of increased revenues will be allowed to filter through

economic policy and its implementation flow from him. It Baluchis belonging to the is his prudence which has been Sunni sect and hence unlikely behind the cutbacks from 1977

but perfectly adequate series of buildings which contrasts with the more elaborate, if under-used constructions, which other

The diversification policy Arab rulers have built. Even with the new Sheraton Hotel rising in the West Bay area there are notably fewer international hotels in Doha than in Bahrain or the United Arab Emirates.

Developments outside Doha are inevitably limited; the rest of the peninsula is barren desert. Desalination plants are the primary source of water. Outside Doha the industrialised zone of Umm Said has some 2,500 inhabitants working in the steel, fertiliser, petrochemicals and natural gas liquids plants. With temperatures last summer reaching 52°C nobody would recommend it as a pleasant place to live all the year round. On the other side of the peninsula the oil town of Dukhan has some 2.000 inhabitants but otherwise Qatar is as uninhabitable as it has always been.

For the foreign workers. however, who make up three-quarter of the population, conditions are probably better than in the emirates. Some half of the total population comes from the Indian sub-Indians are Muslims from the which are put at a minimum of Manpower

State of Kerela. There are 72,000bn cubic metres. The size Arabian myths the hands of Sheikh Khalifa Bin

power in 1972. All important also some 40,000 Tranians but decisions on political and these are well integrated and Sunni sect and hence unlikely to be supporters of Khomeini

The foreign workforce plays To this day it is noticeable a crucial role in efforts to that Qatar is free of the more diversity the economy. These theatrical appurtenances of oil have been pursued with have been pursued with enthusiasm since the early in other parts of the Gulf. The airport, for instance, is a modest plants are now operating and the French-run petrochemical complex should start produc-

The diversification policy, as elsewhere in the Middle East, has not been without its setbacks. The fertiliser plant was beset by technical difficulties and in 1977 the natural gas liquids plant was destroyed by fire. It is now being rebuilt. A new 50,000 barrels-a-day oil refinery is to be built which should meet Qatar's estimated consumption in 1990.

#### Good prospects

A central aim has been to use all the associated gas available and some of the nonassociated from Dukhan field. A second natural gas liquids plant is being pre-commissioned and will take the gas from the offshore fields. Much of this will in turn be used by the petrochemicals plant. All these projects have relatively good prospects, though the profits to be made are very small compared with the increase in earnings from any rise in the oil prices. Nor are they a long-term insurance policy for the day the oil runs out or at

least substantially diminishes. This role is pre-empted by continent, 75,000 of them from the enormous gas reserves in Pakistan. Most of the 25,000 the offshore North West Dome. which are put at a minimum of

BASIC STATISTICS 4,400 sq miles Population Trade (1978) QR 4.36bn Imports

OR 8.98bn Exports Imports from UK £105.5m £40.5m Exports to UK

Currency=rival £1=QR 8.4 \$1=QR 3.7

of this resource makes the decision on its development the most important ever taken by the Government on the future of the economy. There is no particular need though domestic demand for gas is increasing rapidly. It will be particularly important to decide if the gas is to be simply liquefied or will have value

added in Qatar. Whatever is finally decided gas prices are moving up and the North West Dome guarantees the long-term economic future of Qatar far into the next century.

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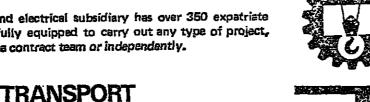
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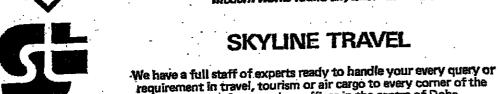
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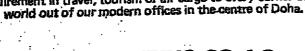
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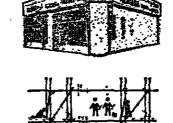


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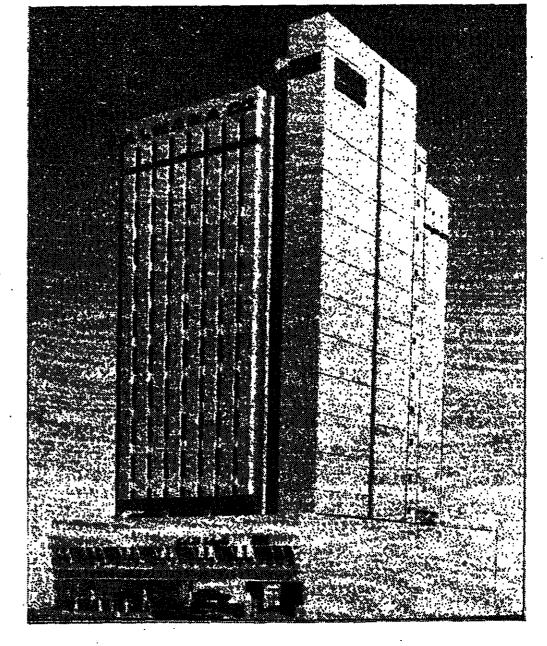
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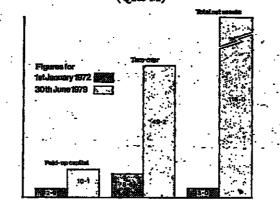
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# Relaxed attitude to economic planning

QATAR has always had fewer that year was 11,546 compared tions will actually be spent. In prefensions than other Gulf oil to 16,244 in 1977). the past they have tended to producers. Economic planning ias been more restrained and the Gulf in the wake of the 1973 oil price rises.

Expenditure of oil revenues has been prudent, much too prudent according to local bankers, contractors and even the International Monetary Fund, and it is unlikely that last year's oil price rises will alter this measured pace of development Expansion is limited by the very small population—about 50,000 Qataris and the necessarily slow pace at which education can make an impact.

The Government is aware that oil is a wasting asset with reserves limited. But the argument that Qatar is likely to be among the first of the former oil states in the early years of the next century should not be pushed too far. At current price levels production could easily be brought down from 500,000 barrels a day. And in the very long term, looking 50 years ahead, the enormous gas reserves in the North West Dome ensure that the country can rely on its hydrocarbon resources for many years.

Thus the industrialisation programme is in reality hardly—even in the long term—a way of replacing oil revenues. Rather, it is complementary to

#### **Increasing surplus**

The point is emphasised by last year's oil price increases. Revenues from oil in 1980 were expected to be somewhere over \$3bn. In reality, at the present rate of production, they are likely to be over \$5bn.

Assuming that there is only very measured expansion in he economy, and even the most bullish in the local business community don't seem to expect much else, this will mean a very rapidly increasing surplus to be invested overseas. By the end of 1978 foreign assets were already put at \$3bn compared to only \$414m in 1972 and investment income was believed to be \$200m a year.

The Government, however, well remembers the experiences of 1974-77 when inflation rose alarmingly—to 44 per cent in 1975. It has now been brought down to about 9.5 per cent and tion of keeping it there. The delay in progress payments to many contractors in the middle of 1977 also gave a jolt which many businessmen involved still recall. In 1978 actual public expenditure fell by 9 per cent. though the budget for that year had been set to rise by 13 per cent. At the same time imports fell by 5 per cent (the number of motor vehicles imported in

has been more restrained and by 60 per cent. A consequence major projects is to rise by 27 the capital Doha has a notably of this was the departure major projects is to rise by 27 relaxed air, with none of the of a number of the inter- per cent to QR 4,928m.

The capital construction companies A limited increase in construction companies. white elephant projects which national construction companies were started in other parts of and sustained moaning from construction companies. The latter, favoured by the Government in the award of tenders, complain of lack of

#### Sharp drop

In late 1978 the Inter-national Monetary Fund advised that the curtailment in government expanditure had been too abrupt. "There were reports of emerging memployment and a substantial fall in nominal wages, resulting in an exodus of expatriates. The housing market had witnessed a sharp drop in rents and prices, sizeable stocks of imported goods had accumulated, the port capacity was substantially under-utilised and there was a noticeable decline in the demand for bank credit."

The Qatari response to this was to say that the impact of the restraint was exaggerated, and in any case there was no particularly good reason for the Government to do any favours to the international contracting business. No new major industrial projects are planned but the new Sheraton is rising above the West Bay area and contracts for a 50,000 barrels-a-day refinery and a gas sweetening plant are expected to be awarded soon.

The QR 900m new Doha airport project has been postponed, but work is proceeding

on the new university.

This year's budget (the fiscal year beginning on November 20) does show expenditure up question is how far these alloca-

Arabia

to 16,244 in 1977).

Construction permits dropped by 60 per cent. A consequence for 1979/80 expenditure on the departure major projects is to rise by 27

would be one method, used elsewhere in the Gulf, to put money into the economy.

are held low by the Qatar Monetary Agency there is an inevitable tendency for money

rates do little except emphasis what is available outside Qatar. Perhaps too much can be made of this. It is frustrating for foreign banks to be in a country with one of the highest per capita incomes in the world and still to have a low deposit base. Some expansion probably can be expected this year, but like most economic

higher than in the United Arab

struction will not be enough to lead to the type of expansion the economy many local inessmen are after. Land purchase by the Government

The banks ask: "How can the private sector expand when the banking system is overlent." Much of the oil revenues never touch the local banking system in any case and deposits consequently remain at the same level. "Even one month's oil revenue in the banking system say \$450m — would make a " savs one banker. But while local interest rates

to go abroad in search of better rates. Small revaluations in the riyal and a tiny hike in interest

moves in Qatar, it will be extremely cautious. It is difficult to assess how far the Qataris are worned by the imbalance in the population between citizens and the expatriate workforce. Assuming that the total population is about 210,000 and Qataris some 50,000, then the percentage of native citizens is considerably

Halul is.

Jmm Said

immigrant population, but un-like other Gulf states it is not

a particularly pressing political issue. Development is thus not limited by fear of drawing in more foreign workers, though Hyundai of South Kores did have a problem bringing in its workforce to construct the Sheraton hotal. The oil town of Dukhan on the other side of the peninsula does have a population of 2,000 but the actual workforce involved in the of industry is a similed proportion

of the total. The key economic decision over the next two years will not be about the expansion of the economy. It will be on the future of the North West Bome gas reserves estimated to be between 70 and 250 trillion cubic metres. The price of gas is moving in the right direction from the Qatari point of view. The Algerians are trying to raise their price to \$5 or \$6 per million British Thermal Units (1m BTUs is about 1,000 cubic

#### Costly transport

This makes the export of liquefied natural gas (LNG) look more attractive. Buf even related to oil prices, its trans-port is still very costly. With this in mind there is an obvious: temptation to use the gas for the petro-chemical industry. This is already being done in the case of associated gas and the onshore non-associated gas resources.

Some of the gas can also be used by public utilities such as power stations and desalination plants. But a major development of Qatar's gas resourced implies exports of LNG to liquefied petroleum gases from which the ethano and methane have been stripped. There is then the problem of finding matkets for these products.

If Qatar does become a major exporter of gas it will be dealing with markets and prices which are less well defined than the oil with witien the Government has long experience. This is a problem which faces all the Middle East oil producers. As late as 1974 five of the areas leading crude exporters were flaring 67 per cent of their eas. Fortunately, there is no reason for Qatar to reach a quick deci-sion on the future of its gas

More drilling needs to be done to define the extent of the structure. And when a decision has been reached on how to us the gas, long-term marketing agreements will be needed. The general idea is that a single company or group should handle the construction, financing and marketing but it is unlikely that gas production from the North West Dome will actually begin until the end of the decade. --

Patrick Cockburn

# Long-term plan for industry

THE HEART of Qatar's effort to industrialise is at Umm Said, half an hour's drive from Doha. Fertiliser, steel, petro-chemical and NGL plants rise like steel each have 2 per cent.

Using natural gas as a feed-islands out of the desolate plain. Together they are evidence of the Government's efforts to create an alternative source of revenue to oil.

THE HEART of Qatar's effort duct marketed by Norsk Hydro of Norway, which has a 25 per the following year. With an eight-year management contact and Tokyo Boeki is handling the marketing of the reinforcent. Government took a share of 70 per cent, Kobe Steel 20 per cent, Kobe Steel 20 per cent, and Tokyo Boeki 10 per the direct reduction plant. Kobe, responsible for design, tonnes of ammonia and 330,000 tonnes of urea, but in the past continued on NEXT PAGE

The prospect is long term. The Government hopes that in reached. In the first full year 15 years 20 per cent of earnings of operation only 40 per cent will come from industry: a of the ammonia and 21 per useful addition to income as the limited oil reserves diminish towards the end of the manufactured. Progress during the 1970s was

methodical. The technical diffi-culties and hitches which hit the fertiliser plant which opened in in the newer plants. The emphasis is now on increasing the already opened or are soon to come into production. Accordlopment Centre, no new major industrial propects are planned. There is no room for more light industry and 13 different projects were studied by the French consultants, Serete, who have submitted their report to the development centre. These ranged from bricks to paper, general paints, detergents, cosmetics, floor tiles, biscults, batteries and electrical accessories. Four medium industries, for asbestos cement, plastics, tyres and melamine, were examined. Nine of the light industries have been

will be restudied. The existing major industries have certainly proved expensive but none has turned out to be a white elephant of the kind which sometimes roams in other parts of the Gulf. On the other hand the Qatar Fertiliser Company (QASCO), which opened in 1973 was long beset by technical problems. The com-

these figures have seldom been

#### Breakdown

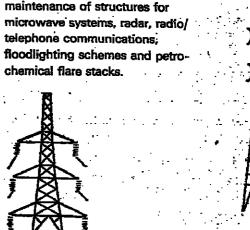
After two years of some improvement there was a major breakdown in the steam heating system in 1977. After some problems early last year the original plants are now operating satisfactorily. QASCO has also brought into ing to Dr. Said Misal, head of operation two new urea and the Industrial Technical Deve ammonia units costing QR 1,000m. Starting production last June, they pushed total production in 1979 to 371,000 tonnes of ammonia and 497,000 tonnes of urea. "We the experience we had with the first plant," says QAFCO's general manager Knut Anderssen. So far the expan-sion has worked well, the second urea plant working at 104 per cent capacity in its first six months in operation. Sales are mainly to India China, Pakistan, Malaysia and

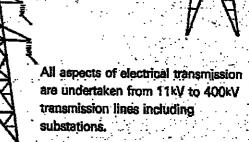
recommended and four others Thailand, Most of the bulk sales are to India with China taking a significant amount of the bagged urea Currently QAFGO is still delivering last year's orders, delayed because of the absence of suitable ship-

ping.
The Qatar Steel Company
(QASCO) has not suffered
from the same technical problems which beset the fertiliser company in its early years. pany is 70 per cent owned by Originally promoted by the de-the Government while the velopment centre in 1973, a plant is managed and the pre-joint venture agreement was

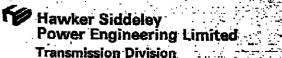
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# Planners split on rise in electricity demand

ASK ANY DOHA resident why you drive down a street in the submitted for the university of for a number of factors. Firstly, demand from Umm Said, which torn up by road works, and then 12 companies considered it sumption down, for Qataris per is also expected to rise, particularly accounts for one-third torn up to the submitted for the university of the necessity of a new station in the number of consumers, demand from Umm Said, which torn up by road works, and then 12 companies considered it sumption down, for Qataris per is also expected to rise, particularly accounts for one-third torn up by road works, and then 12 companies considered it sumption down, for Qataris per is development of the the following year find the worthwhile to re-tender. street in exactly the same con-

buildings for the government.

But many of these recent developments are jumbled up alongside houses dating from the time when Doha was just a small Arabian fishing village. Dubai, for example, is busy installing parking meters; Doha has yet to get round to traffic

Despite the fact that Qatar has a larger oil production rate than, say, Bahrain or the northern emirates of the UAE, always made their decisions in a more measured way. There are no tell tale signs of a ruling sheikh trying to outdo his neighbours with expensive airports. bours with expensive airports, useless towers with revolving restaurants or luxurious offices for the local municipality or

In the last decade the Government has spurned the tradi-tional glamour symbols of oil wealth and has instead concentrated on building up an industrial base. Nor has Qatar let itself be seduced by the schemes of Western consultants. Says Hisham Kaddoumi, the Emir's technical adviser: "If we had built everything put forward to us by consultants, we'd be in a real mess now."

#### Value for money Planning in Qatar is in the

hands of a relatively small core of advisers for as yet the country has no planning ministry. This, on occasion, leads to irribeing dug up several times over these projections and coupled by different government depart with the continuance of the ments. There is a ministerial slowdown, the figures have co-ordination committee, but again been changed. Electricity ultimately the decision making planners now believe that by still lies with the Emir. Never- 1983 demand will have outnicians at his hand have built the expected consumption will up a formidable reputation of be about 894 MW, in compari-

grumble at contract conditions say.
but the state is still able to A but the state is still able to Again the Emir's planners attract large numbers of bids. appear to disagree on the timing

dition, and the quick response ing about 70 per cent of the water of any people in the will be: "We're probably digcapital budgets each year, and world. It is not uncommon to will be: "We're probably dig-ging it up for a different reason Kaddoumi estimates it will continue to be at least over 50 per Certainly few parts of the city cent for the next five years. Of have the glossy pretentiousness this half is still being absorbed of other Gulf capitals. There are fewer skyscrapers and even government attemps to keep one these look somehow out of step ahead of the population place with the rest of the growth and increasing industrial scenery. Only in isolated parts demand. In a country where of the city do the symbols of summer temperatures can soar an oil economy become apparent to the 45 deg. C level, air con-—the rows of expatriate villas, ditioning is a must 24 hours a low-cost housing for nationals day. The department has to or the occasional block of cater for a summer peak demand which is four times greater than in winter.

#### Turbines

The largest electricity project yet is the Ras Abu Fontas power station which will be completed this summer at a cost of \$242m. Two Mitsubishi turbines are currently being installed. Before the peak season begins a further its government, and subsequently its private sector, have always made their decisions in also coming from Fiat Together generating capacity up to Government hopes to cut conS28 MW—a considerable amount sumption by at least a quarter. first part of their development for a state of just over 200,000 say high-ranking officials. This will be coming into use. They

Estimating future demand and the subject of electricity is likely to become one of Qatar's most controversial talking points in the year to come. At one stage, the electricity department was calculating consumers' and industry's demand as growing 1977, the department re-drew its figures. Peak demand for 1979 was originally projected to be about the 640 MW mark, but this was revised to about 480 MW. Similarly, future projections for the early 1980s were estimated at rising from 800 MW in 1981 rising to 1,000 MW in 1982 and 1,400 by 1984.

The Emir and his advisers tating occurrences such as roads subsequently disagreed with theless the small team of tech- stripped supply, for by that year getting value for money for son with an installed capacity atar. of 828 MW. A new power Western contractors may station is urgently needed, they

worthwhile to re-tender. head must be one of the highest Infrastructure is still absorb- consumers of electricity and see the walls surrouding villas power station will not be easy. to be strung with fairy lights and lamps, and water sprinklers

to be going all day. One of the most effective ways of reducing consumption is to increase the price, or even to start charging, because local citizens are not billed for electricity. Such a move would prove highly controversial as Qataris, in common with other Gulf citizens, have come to regard cheap or completely free energy as part of their birth-right. Electricity is subsidised to all residents in Qatar, being provided at 0.06 riyals per unit instead of the real economic price of 0.12 riyals.

the Emir, but in the meantime the electricity department has declared war on those omiting six from Kraftwerk of between to pay their bills. Many were 40 to 44 MW each and four more Mitsubishi turbines of in payments, and following a purge on subscribers, many resistance. found to be nearly a year behind purge on subscribers, many residents found themselves cut off

> Government hopes to cut conin turn will call into question the need for a new power station. The decision has yet to be taken and time is running out if it is needed by 1983.

What is envisaged by electricity planners is another 1,000 MW of capacity—more than Qatar has built in its 27 per cent a year, but with entire history to date. The pro- Petroleum Corpor the recession which occurred in ject could be built in stages Hamad Hospital. according to the growth in demand, but even the first tentative phases have an estimated cost of \$250m depending on whether the plant would be combined with water produc-

Water department officials are also pushing for the new plant, which they say is necessary to meet growing demand. Consumption is currently around the 25m gallons a day mark, with potential capacity at its Ras Abu Fontas and Ras Abu Aboud plants standing at 32 mgd and 11 mgd respectively. Future demand is projected at a further development of lower around 40m level, and thus to retain a comfortable edge, new

but electricity planners are construction of 2,000 homes working on an annual populathough it is not yet decided tion growth of about 2.5 per how many will be built in the 209,000 to 234,000 inhabitants in Umm Said. by 1985. Even taking into account the slower growth rate Kathl

currently accounts for one-third is also expected to rise, particularly if development of the North West Dome goes ahead. Like the Dome itself, the decision whether to build a new

A hard decision which was taken late last year was to cancel for the time being the construction of a new airport. Many sections of the community had hopes that this project would go through, if only as an indication that Qatar was letting up on the slowdown. This would have been a major project costing an estimated QR 900m.

The emir's advisors say, however, that the project has not been cancelled, merely postpriorities. We will eventually have a new airport, but the question was do we need it now? We don't want to build merely Naturally any decision to for the sake of emulating charge citizens for their energy others." Instead Qatar is to consumption is in the hands of make do with the refurbishing of its existing airport, which is to have a rebuilt terminal at a cost of QR 100m.

#### High rise

One development scheme already well on the way to completion is the West Bay, designed to be Doha's chic end of town for senior Qatari and foreign residents.

In the next few months the will be coming into use. They are the 216 apartments which have been built in high rise structures for senior foreign residents of Doha. Designed by the French architect George Candilis and built by Darbi and German venture, the blocks will house staff from Qatar General Petroleum Corporation and the

One of the most intelligent schemes in the West Bay is the 612 villas which are to be built for senior Qatari Government staff. Built in stages, the villas come in six designs from which the potential occupant can choose. Financing is also provided by the Government up to the tune of QR 500,000. The first phase, for 280 villas, is under the project management of MacKee Associates, a U.S. firm, and another tender for a further 100 is imminent. Also destined for Qataris of

homes. The contract has gone retain a comfortable edge, new facilities are necessary.

Predicting growth has become a hazardous process in Qatar, but electricity planners are construction of 2,000 homes working on an annual population. cent, with the total rising from West Bay area and how many

Kathleen Bishtawi



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# Industry

CONTINUED FROM PREVIOUS PAGE

extent of the plant is easily de- 1983. extent of the plant is easily described: oxide pellets and scrap are unloaded at the 730 metre wharf. The direct reduction end of the year. The Qatar plant, with a capacity of Petrochemical Company 400,000 tonnes a year, uses (QAPO), set up in 1974, was 80 natural Khuff gas which comes per cent owned by the Governfrom beneath the Dukhan fields ment, 15 per cent by CDF on the other side of the Qatar peninsula. The plant also has cean, both of France. The plant also has the capacity to produce

Efficiency

Last July the direct reduction plant had a misrolling ratio of only 0.089 per cent, a world reony dies per tent a work to cord. "Our quality is among the best in the world for reinforc-ing steel bars," says Mr. Osamu Miki, the general manager. With 1,100 workers the plant also has a very high level of production per head. There are currently 110 Japanese working at the plant but this should come down

to 76 by the end of the year.
Protected by a 20 per cent
tariff on steel imports, the company supplies 95 per cent of the available domestic market for its type of reinforcing steel. The management cites convenience, no letters of credit necessary and price as their assets in Qatar. But with the relatively low level of construction activity within the country, only 13 per cent of total sales are local. Half go to Saudi Arabia and 20 per cent to Kuwait with much of remainder going to the

United Arab Emirates.

About 70 per cent of the production is delivered by truck—it is four days by road to Riyadh. The company is convinced that there is a market for an additional 300,000 tonnes of reinforcing steel bars in the Gulf if an

produced 376,000 tons of steel expansion of 50 per cent is de-bars for the construction cided upon. It is not clear yet industry which was 40,000 tons what the effect will be of Saudi above the output target. The steel production starting from

on the other side of the Quanter peninsula. The plant also has two ultra high power arc furthases and continuous casting naces and continuous casting peninsular mill shops.

A low-density polyethylene The Japanese managers are plant is being completed by proud of the efficiency with Koppe Rust and the ethylene which the plant has run so far. Gazocean dropped out when it became clear that the Govern-ment wanted to use all the ethylene within Qatar and its shares were redistributed among the other two share holders. It is likely that a decision will be reached to go ahead with a high-density polyethylene plant with a capacity of 85,000 tonnes at a cost of about QR 250m. "It is favourably considered by the shareholders," according to QAPO's general manager M. Francois Caille. Caille.

Most of the technical staff, 450 out of a final total of 650, have been recruited, and M. Caille says that schedules have been kept to. Marketing will be done by an international division of CDF Chinie. The low cost of feedstock from the NGL plants now being completed at Umm Said should give QAPO some price advantages. QAPO's parent company, the Qatar General Petroleum Corporation (QGPO) is already a 40 per cent shareholder in a parallel venture in France with CDF Qataris are being trained at the plant, which opened at the end of 1978.

Patrick Cockburn

شَرِّحُ الْمَالِيَّةِ الْمَالِيَّةِ الْمَالِيَّةِ الْمَالِيِّةِ الْمَالِيَّةِ الْمَالِيَّةِ الْمَالِيَّةِ الْمَالِيِّةِ الْمَالِيِّةِ الْمَالِيَّةِ الْمُلْكِيِّةِ الْمُلْكِيِّةِ الْمُلْكِينِيِّةً الْمُلْكِينِيِّةً الْمُلْكِينِيِّةً الْمُلْكِينِيِّةً الْمُلْكِينِيِّةً الْمُلْكِينِيِّةً الْمُلْكِينِيِّةً الْمُلْكِينِينِي الْمُلْكِينِيِّةً الْمُلْكِينِي الْمُلْكِينِي الْمُلْكِينِينِي الْمُلْكِينِي الْمُلْكِينِينِي الْمُلْكِينِي الْمُلْكِينِي الْمُلْكِينِينِي الْمُلْكِينِينِي الْمُلْكِينِينِي الْمُلْكِينِينِي الْمُلْكِينِي الْمُلْكِينِي الْمُلْكِينِينِي الْمُلْكِينِي الْمُلْكِينِينِي الْمُلْكِينِي الْمُلْكِينِي الْمُلْكِينِي الْمُلْكِينِي الْمُلْكِينِي الْمُلْكِينِي الْمُلْكِينِي الْمُلْكِينِي الْمُلْكِينِينِي الْمُلْكِينِي الْمُلْكِيلِي الْمُلِيلِي الْمُلْكِيلِي الْمُلْكِيلِي الْمُلْكِيلِي الْمُلْكِيلِي ال

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# Carefully controlled oil expenditure

**QATAR OIL PRICES** 

compared to other oil producers the country is only a small pro-dcer accounting for only 1.6 per cent of OPEC's total producton last year and 1.55 per cent of the Middle East's proven

There is little chance of major new reserves being found on-shore or off and by the end of the decade production will begin to fall. But the rate and moment when this occurs depends on the rate of production maintained up to that time.
There is little reason for
Qatar to pile up vast financial
reserves and the maintenance of current production levels appears, as in Saudi Arabia, to be primarily for political

motives.

Nevertheless, production last year rose by 4.7 per cent to a daily average of 506,225 barrels a day. Speaking in December, Sheikh Abdel Aziz, Minister for Finance and Petroleum, said:

"We have no intention of increasing or decreasing our current output." But in the long term it is difficult to believe that such a policy will be main-tained.

#### Carefully paced

Carefully paced

Unlike Saudi Arabia, the day that Qatar's oil runs out is on the spot market. Originally the horizon and development the horizon and development expenditure is carefully paced and controlled. Current production, only 5.3 per cent of its vast Western neighbour's, is not enough to make a substantial difference to the consumers if out hask a little.

if cut back a little.

Increased prices last year have already compensated for any drop in production which might be contemplated. In Emirates, Saudi Arabia and December, 1978, the price of Venezuela it held its prices Dukhan onshore crude stood at \$13.19 a barrel and Marine offshore at \$13.00. By the end of last month they had risen to \$29.42 and \$29.23 respec-tively, backdated to the beginning of the year.

The minor financial pres-

sures on the Government seen in 1977 are unlikely to arise Industrialisation again. Industrialisation was rising steadily over the years metre area north and west or partly based on the idea that to a peak of 570,300 barrels a the peninsular. This includes Qatar would need some future day (b/d) in 1973. This an area in dispute with alternative to oil revenues. So maximum is unlikely to be Bahrain.

Surpassed over a year, though But the real object of interest limited in scope by the very in December, 1975, it was for the international oil companies of the content of the property of the property in the partle of the content of the limited in scope by the very size of the country, has worked well. But with the discovery of vast gas reserves there is no are onshore at Dukhan on the will remain overwhelmingly offshore to the north-east.

THIS YEAR Qatar's oil income is expected to exceed \$5bn. Assuming that there are about 50,000 Qatari citizens, this means that their per capita income will be \$100,000. But compared to other oil producers the country is only a small producer the country is only a small producer on the western side of the original source of crude from put at 3.2bn barrels, twice that two new natural gas liquids of the offshore fields. Never the oneshore fields. Never the cassociated and non-associated from Dukhan will be offshore fields increase production by 12 per cent while the past year with that of the offshore fields were the completed at the offshore fields were the oneshore fields were the original source of crude from publish is enverently found.

month later Sheikh Abdel Aziz attacked the major oil com-panies for making "big marginal profits" out of the

A strain of muted militancy

quantity is now estimated to have been half of this, but it did break the OPEC ceiling of the time (\$23.50 a barrel). Sub-

sequently, oil officials pointed out that their spot sales were limited but heavily publicised.

down until shortly before the Caracas OPEC meeting. But when Saudi Arabia attempted

to re-establish some unity on prices within OPEC by raising

its own, Qatar joined with three other Gulf producers to

increase the price of its crude.
Oil was first produced in

Qatar in 1949 with production

rising steadily over the years

pushed up to a high of 610,000 b/d. The main Qatari oilfields

west of the peninsula and

oil shortage.

on the western side of the Gulf, most notably Abn Dhabi.
Last February the country joined Abn Dhabi to become the first OPEC producers to push up light crude prices 7-8 per cent above the levels agreed by OPEC in December.
At the same time Qatar announced an auction of 500,000 bartels, looking for a minimum price of \$23. A relikely. A power injection for the western side of the original source of crude from Qatar the original source of crude from which is currently flared, the 160 kilometres to Umm Said. This work led to production being produced at a rate of production last March dropping from 289,000 b/d to 108,000 b/d. The average for from 289,000 b/d to 108,000 b/d. The Bul Hanine field was closed for seven weeks.

A fourth offshore oilfield has a rather different status. It is owned jointly by Qatar, Abu Dhabi and the Bunduq Oil Company (BOC). This was closed

Source: Middle East Economic Survey

there are unlikely to be any new

Little optimism

to a Qatari official.

Some exploration still goes on but without much optimism. A concession held by the

to ensure that none of its exist-

pany (BOC). This was closed in the middle of last year. It had been producing at a level of 7,000 b/d but was bedevilled by difficulties regarding the oil/ gas ratio and pressure levels. Production apparently could be Jan. Nov. July May Apr. Feb. Jan. Dec. Jan. Nev. July may apr. 15.05 14.03 13.19 Japanese company, which has a Dukhan (40°) 29.42 27.42 21.42 17.84 17.04 15.05 14.03 13.19 Japanese company, which has a majority share in BOC, has Marine (36°) 29.23 27.23 21.23 17.65 16.85 14.71 13.77 13.00 proposed a \$300m secondary

> Ownership, both onshore and programme will get going in the second half of 1981 but off, is vested in the Qatar General Petroleum Corporation (QGPC) which in turn controls reservoirs discovered.
> Offshore the fields have a production through the Catar Petroleum Producing Authority (QPPA). Oil was originally dissomewhat shorter life. The pro-(QPPA). Oif was originally discovered by an operating company of the old Iraq Petroleum Company (BP, Royal Dutch Shell, CFP, Exxon, Mobil and Gubenkian family) which started expolrations in 1937. The Qatar Petroleum Company as it has been called since 1963 was finally taken over by the duction level is likely to drop to 200,000 b/d compared to a figure of 278,000 b/d for 1979. The oldest oilfield, Idd al-Shargi, was discovered in 1960 after seven years' exploration.
>
> Of the two others Maydan
> Mahzam has the highest
> reserves while Bul Hanine is
> the most productive, its capacity was finally taken over by the QPPA (onshore) in late 1976, while a few months later the Shell Company of Qatar, which being increased by more than 40,000 b/d in 1978 by the completion of two new dump flood

had the offshore fields, agreed to 100 per cent participation. The terms for the five-year agreement were for the companies to get back their costs in full plus a fee for each barrel produced linked to the official price of Qatari crude. The companies thus benefit from last year's rapid price in-

Holcar Oil Corporation was can-celled when the U.S. Justice Department alleged that a \$1.5m pay off had been made Though most of the senior managers and technicians with-Wintershall of West Germany is exploring a 9,000 square kiloin the two wings of QPPA are expatriates, there are an increasing number of Qataris employed. In QPPA offshore they make up 43 per cent of metre area north and west of 1,478 workforce, 34 being senior staff. The percentage on-shore is higher with some 50 panies in Qatar these days is Qataris out of the 193 senior gas rather than oil, above all the staff, including two divisional North West Dome. Already the country has made every effort

Patrick Cockburn

# Decision on gas reserves

OVER THE next couple of right to just liquefy it."
years Qatar will have to take QGPC has carried out a
its most important economic dejoint study of the field with
cision in the short history of Shell International which was

Closely the extent of the structure. So far the number of the strata 10,000 feet down and further drilling is now being carried out to discover is put variously at between \$4. Initial enthusiasm for exploit-ing the gas was limited. After all Qatar was only beginning to get used to its new oil wealth and the emphasis was on developing local industry.

Today, improved gas prices and gradual depletion of oil reserves make prospects for exploiting the North West Dome look brighter. Nevertheless, international companies sound more enthusiastic than the

North West Dome is impressive above all because of its sheer size. Qatar's proven gas reserves are 31 trillion cubic feet, but industry estimates the North West Dome to hold between 72 and 100 trillion

Mr. Ali Jaidah, the Qatar General Petroleum Corpora-tion's (QGPC's) managing director and former OPEC secretary general, says that the highest estimate he has seen is 250 trillion ou ft. This figure, though very much an outside estimate, compares with worldwide proven reserves of natural gas of something over 25,000 trillion

Even the lowest industry estimate for North West Dome is still equivalent to the British Gas Corporation's estimate of gas which can be extracted from the British continental shelf, which would be enough to meet British demand for over 30 years.

over 30 years.

In dealing with reserves of this size the Government is clearly faced with a decision of immense significance for the country's long-term future and it is rightly taking its time to reach a decision on how to proceed. There is no financial pressure to move fast. "We have to solve the basic question," says Abdullah Sallat, director of the department of Petroleum Affairs. "Do we treat it just as gas—liquefy it—or make it the backbone of the Qatari ecosomy.

Personally, I don't think it is is pict of its LNG to that of its Murban crude. This raised the price of gas exports raised the price of gas exports to Japan from \$2.36 to over \$4.70 per million British Thermal Units (Btu) to \$5 or \$6.

the state. This concerns the to be delivered this month. expleitation of the vast gas But events are unlikely to reserves of the North West Dome discovered by the Shell catar Company off the north eastern coast in 1972.

the exact extent of the structure, and \$20bn depending on the Initial enthusiasm for exploit- extent of exploitation. These figures are largely notional. It could well be a year or two before a decision is reached on the future of the dome and, at the speediest, a year for planning and another three years for drilling, and setting up pipe-

for drilling, and setting up pipe-lines and liquefied natural gas (LNG).

The first commercial produc-tion is unlikely to be before 1987/88—at the earliest. There is the argument that Qatar will need additional gas resources itself by that data as feedstock itself by that date, as feedstock for industrial development and for industrial development and for the power stations. Umm Said industrial zone already consumes one third of the electricity generated. Astronomically high figures for domestic electrical power consumption have been scaled down but this is expected to be 894 MW by 1983 compared to currently installed capacity of 828 MW and a 1,000 MW power station is being considered. Existing industry is being expanded but no new major industries are planned which would utilise much of the North West Domes' much of the North West Domes'

#### Upward trend

The upward trend in gas prices is encouraging for QGPC. The movement in OPEC to link more closely the price of gas and crude is gathering pace. Algeria is seeking to raise the price of its LNG from \$3 per million British Thermal Units

Non-associated gas is also brought from the Khuff strata 10,000 feet below the main reservoir at the rate of 400m cu ft per day. This will be increased to 600m cu ft per day by 1981

"The big developments in the 1970s have been in gas," says Mr. Arthur Gillat, managing director of OPPA (onshore). The offshore associated gas has been flared in the past but the facilities on the platforms have now been installed and the gas will be pixed 180 and the gas will be piped 160 kilometres to the Natural Gas Liquids 11 plant at Umm Said at a rate of 242m cu ft per day.

The use of the gas is complicated by the almost complete

In the past the associated gas came from the Dukhan field Umm Said in April 1977, only run by the Qatar Petroleum two years after it opened. At Producing Authority (onshore). the end of last year OPPA told the Shall Grant and the Shell Group and the British engineering company Whesspe-that it would claim the cost

that it would claim the cost from them of replacing the plant together with all losses incurred because of the fire. NGL 1. now being rebuilt by JGC and IHI of Japan, will produce 1,200 tons a day of propane, 750 tpd butane and 450-tpd gas distillate.

NGL 11 is currently being pre-commissioned beside the massively - reinforced tanks which will contain the liquids. When open it will provide When open it will provide ethane for QAPCO and natural gas liquids for export. Japanese companies are showing interest in buying its products.

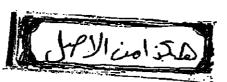
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# Companies' profit margins slashed

IN MANY GULF states, the level of trading activity is a political question. Many of their national citizens become used to boom conditions, and when the necessary slowdown comes, readjustment is painful Qatar, in many ways, is different, for although trading and construction activity are expecting a 30 per cent inand construction activity reached its peak in 1977, the Government moved quickly to

prevent it continuing. The slowdown brought on by delayed payments and a cut-back in actual expenditure was designed to decrease the inflation rate and prevent a flood of immigrant workers coming in and upsetting the social balance further. But it may also have been a pause to pre-pare its local and business circles for the time when the big contracts of the past can no longer be expected

In a state such as Qatar with its tiny population of a mere 200,000, only a quarter of which are citizens, there has got to be time in the near future when all the roads, schools, hospitals and public services are complete.

In other Gulf states, the merchant community has been sufficiently powerful and influential on the ruling family's decision to continue a high level of development. Not so in Qatar, for there is not the regular and casual contact between the two sides as exists in Dubai, where almost every morning is passed by the ruler drinking coffee with his cronies, the merchants.

In Qatar the contact is more formal and deferential, and at times verging on distrust. Some years ago, when the ruler wanted to develop an area of Doha, the prices the merchants were asking for their land were so high that the Emir decided to ignore them all and create his own land out of the sea. The result is the West Bay, which is built on reclaimed

Another factor is that many of the prominent traders in Qatar are of foreign origin, and apart from a few notable exceptions, the al Thanis do not is not that lively. become involved in the hustle and bustle of trading, or build-ing business empires. So when

But this has not stopped profit margins being slashed, and many of the prominent names in trading are experiencing difficulties. None has tettered on the verge of liquidation and will not, say local bankers, particularly if there is an increase in government spending this year.

that the state will actually spend what it says it will this year.

Previous years have been charac.

The Centre, which was t heginning of the year when the budgets are announced with their customary increases, with expectations dipping when it is realised that actual expenditerised by high hopes at the realised that actual expenditure is not that great.

The slowdown has been quite dramatically felt by some com-panies. Mannai trading com-pany for example which has the agencies for Cadillac, Pon-tiac, Opel and some Japanese makes of car, experienced a considerable decline in its car sales division, which forms 30 per cent of their trading diviper cent of their trading divi-sion revenue. In 1977, some Doha's residents—there was 2.100 vehicles were sold, but trouble over the Christmas

However, company executives are expecting a 30 per cent increase in general trading this year. Said one: "We had to tighten our belts on salaries last year, but this year we are getting bonuses. "Neither did the slowdown deter Mannai from investing QR 60m in a new headquarters on the outside of Doha, or installing a computer to control stock and wages. Contracting is still the most largest section of the group, and owing to the Government's pre-ference for local companies, Mannai's order books are full

until 1982, say its executives.

Trading is still the major activity among local companies, for few have been attracted to, say, large-scale industrial ventures. "Maja want a govern "We'd want a govern-

hampers, and women's fashions not varied enough to prevent one woman knowing just how much another's dress has cost—

or even maintain existing local much another's dress has costthe grumbles are almost an indication of just how much it has become an essential part of the city's life. The Centre has considerably improved the quality of life in small ways such as providing fresh meat, a wide selection of foreign foods, cosmetics and freshly-baked French bread—all of which were new to Doha.

#### International banks

Ghanem al Thani Holdings is the largest limited liability company in Doba, with a fully-paid-up capital of QR 1.5bn. Many of its current projects such as the villa complex, the hotel and others in the pipeline have been financed by privately-placed non-recourse loans among international banks, and its future projects, which are huge in Doha terms, will be similarly



New buildings dominate the skyline of Doha

ment guarantee and financing financed.
before we'd make any large investments like that," commented \$20m pr one Western manager of a local concern. "Now is not the time to slap down, say \$5m in a plastic bags factory or whatever. Things are too uncertain in the region and the economy locally

The property market still has its adherents in Doha, though and many of the local trading the slowdown came, it was easier to follow through and continue in Qafar, for the pressure to redate the economy from the merchants would not have been as strong as in other, nearby states.

Despite the Government's and many of the local trading companies have invested in prestige office blocks and some have gone into expatriate housing schemes. All the same, the time of a three-year write-off is now over, and many of these developments are half other Gulf cities.

Perhaps one of the biggest private investors around Doba foods grown on the Israelis Sheikh Ghanem bin Ali al Thani, a close relative of the former ruler. Even other trading companies in Qatar grudgingly concede that Sheikh Ghanem has "built what Doha needs," and his current holdings Much store has been set by the fact that the development budget has gone up 27 per cent this year, and traders are hoping store, the 360-room Ramada the Chanem Gardens store, the 360-room Ramada hotel and the Ghanem Gardens

The Centre, which was the Gulf's first modern department company, Jashamals. Accusations are flying back and forth between the two parties, and there are now plans to arbitrate the case at the World Chamber of Commerce in Paris. Nevertheless, the centre is currently receiving more than 55,000 visitors a week, 27,000 of them purchasers.

The Centre is continually the

The group is now planning a \$20m private hospital with 88 beds which will offer Americanmanaged medical facilities to those residents unwilling to queue for the free service prowided by the Government.
Another project is a QR 36m
shopping centre linked to the department store, which is being modelled on classic U.S. lines. It will have 120 shops.

All these are large-scale developments for Doha, but as the company's chief executive Afif Sidawi points out: "We don't build for 1980, we are building for 1985." The group nearby states.

Daspite the Government's cautious approach to large budgets, the merchant companies are still experiencing an increase in turnover each year.

Margins slashed

But this has not states.

developments are half full, depending is confident that the population inevitably will increase. "The range of products the Qataris are aspiring to is increasing dramatically, and that means more people, and people breed upwards of two years ago. This is still very high compared with a \$70m food processing factory

#### Big names

Local companies are thus managing to more than survive the Government-sponsored slowdown. The same cannot be said so much of the international companies, particularly those which banked on the continuing presence of large construction companies. A number of major British names in construction have left, including Costain, Mowlem, and some consultants, though many continue to visit Doha from other Gulf centres, which have offered a continuing source of work. The French, Germans and the Americans are continuing to try in Qatar, many of them successfully, while still grumbling about contract conditions in Government work.

Consultants say Government ates are often ridiculously ow. The establishment costs allowed, for example, for a high-level partner in a consult-ing firm is only QR 30.000, or

companies. "Even the British cannot meet those require-ments," remarked one U.S. conments," remarked one U.S. con-sultant, "We were hoping to attract people from Saudi Arabia to here—after all Doba is far more pleasant, but at those rates it is impossible."

Government officials rebuff suggestions that their terms are in any way particularly harsh or that the result could be a lower standard of contractor applying for work in Qatar. On the university project, there were 49 entries, points out Hisham Kaddoumi, the Emir's chief technical adviser.

The other major controversial project, the Sheraton, was also given the go-ahead only after rebidding. The project was delayed for some months, and then thrown open to tender again, and the difference in bids was large. Kaddoumi points out. We found some inexplicable items in the tenders," he added.

So successful is Qatar in securing low prices from inter-national contractors that even Government officials say they are surprised at the savings they have obtained on the largest current project—the university. The QR 1bn project is divided into six separate contracts, and on the latest, the bid was about Qr 20m less than expected. The Japanese company, Fujita, has secured the main contract for the foundations and Interbeton of the Netherlands has the work for the production of the precast units. Fujita was believed to have wanted to reconsider its bid, but was kept to its prices by the Government, according to local sources.

Government officials reject the idea that Qatar has become the market only for Koreans and Japanese, whose prices are difficult to beat, and say their contract conditions are not any different from standard inter-

national practice.

The recent successes of the Koreans have yet to reflect in Qatar's import league tables. The Japanese still head the list as they do in all Gulf countries, as they do in all Guir countries, accounting for Qr 999m or 18.5 per cent of the market, a slight drop over the previous year's share of 19.75 per cent.

vear's share of 19.75 per cent. The university contract is likely to push them up again. West Germany came in second mainly because of its supply of turbines to the Ras Abu Fontas power station. Its market share was nearly 17 per cent or QR 903m. Local sources are expecting it to drop are expecting it to drop slightly after completion of the station and Britain could once again go into second place as

it was in 1978. Britain's exports to Qatar last year rose to QR 832m from QR 721m in 1978 though its market share dropped very slightly from 15.7 to 15.4 per cent. From then on, it was France with QR 535m, the U.S. with QR 465m and Italy with QR 309m. South Korea in 1978 was in 24th position, accounting for only 0.39 per cent, a position which will surely show some change in the coming two

years or more. Qatar's imports overall last year rose about 15 per cent from QR 4.5bn to QR 5.4bn, though most of this can be accounted for by inflation. Nevertheless, it cannot be a true comparison for 1978 showed a decline in imports, which must be a rare phenemona among Gulf states In 1977, they were standing at Or 4.8bn, and so last year's figures show little real growth. However, many circles are confident that this year the Government will raise its spending levels because of the pressures

Kathleen Bishtawi

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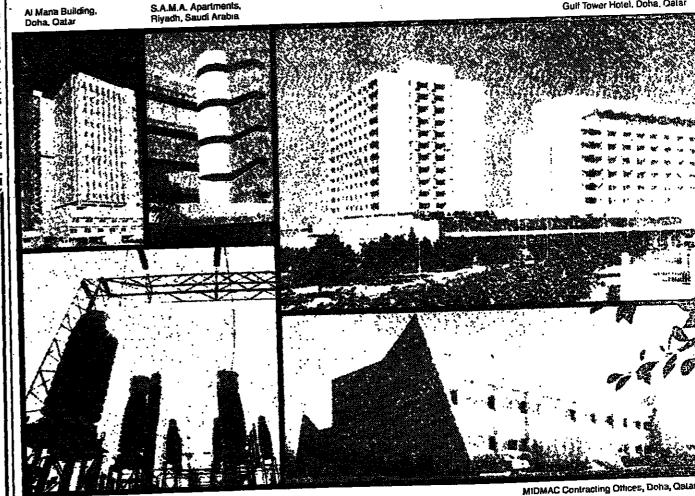
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# Outflow of money worries the banks

BANKING IN QATAR differs mark compared with QR 659m as each seeks to attract much point to a worrying liquidity markedly from that in neighbouring oil economies. For a More than 70 per cent of these counters with the argument that December 1978 advances were

Government moved quickly to amount in gold. prevent a spiral of land About 50 per speculation, and so the town banks says in its annual report, foreign assets of banks have been rising, a reflection of the clear of U.S. banks and is aim-seeming lack of investment ing for a wider geographical seeming lack of investment ing for a wider geographical opportunities within the state. Yet in many other ways, it exhibits the same stresses and strains which other Gulf banking communities are experiencing. The last three years have seen orchestrated restraint 1974-77 when money supply and credit were going up in leaps of 75 and 50 per cent. Today, deposits and consequently advances are barely creeping up at all—but, unlike other Gulf states, this has been the result of a measured level of

banking community itself. Perhaps the most important similarity is the dominance of a national bank handling the accounts of the government and semi-state companies, with the rest of the banks competing for the remaining 50 per cent of the business. There is also a fledgling central bank still growing in size and expertise whose balance sheet is probably one quarter the size of its national bank.

government spending rather

than any convulsions in the

#### Rapid expansion

The Qatar Monetary Agency, established in 1973, has developed more slowly than other nearby central banks which opted for rapid expansion through the deployment of Western expertise at the top. The policy has paid off, for today more than half its staff are Qataris, a much higher ratio than in central monetary institutions in other countries.

The one Bank of England official who was on secondment for the last two years has now been replaced by a Qatari and Arab expatriates, and in one year its staff complement has doubled-up to a present total of over 50—all of them Arab. Yet it is still in the embryonic or development statistics department, for example, consists of one man

and a typist. The agency is also hampered by the Government's preference for the Qatar National Bank. which has assumed many of a central bank's functions. Never-theless, the agency is slowly adopting the mantle of advisor to the Government, and playing a more active role in bank supervision. A team of bank inspectors is being built up and already about six banks have had their books scrutinised by agency officials.

The agency's balance sheet, though small, is rapidly increasing. Foreign assets are esti-mated by senior officials to be around the QR 1bn (£118m)

start Qatar has never harboured foreign assets are still kept on the agreement was not adhered ambitions to become a financial deposit with the 100 major into anyway by all banks; many centre, and its banking com- ternational banks in the world, tried to lure customers by By December the following year

unlet apartments and billions being spread around the Euro and sterling, the differential of rivals extended to the pean currencies and the yen property market in loans. For However, since the freezing of some years now, its central Iranian assets by the American Government late last year, the agency is attempting to steer

QMA officials maintain that the size of the agency's balance sheet is not as important as the relationship it has wit hits banking community. In the last year, this relationship has bad its ups the heady boom days of and downs. The growing bone of contention between the agency and the banks concerns

> governed by the inter-bank banks which are responsible for agreement. This agreement has whatever funds are flowing out functioned almost from the beginnings of the banking of the banks are shown to have system in Qatar when no central risen from QR 1.8bn in Decemmonetary institution existed. Although the agreement covered many aspects of banking and was in fact quite detailed, its most important aspect was the regulation of interest rates, which dictated that deposits could earn between 4 to 6.5 per

> per cent. The move has proved to be the agency's most controversial a framework to operate by. cent, indicating customers'
> They say that the grey areas increasing preference for longer concerning commissions which were left open when the agreement was cancelled may lead to switch to foreign currency is not switch to foreign currency is not approximately and the same of th

munity is small—only 13 banks with the remaining 30 per cent offering higher rates of interest. It had risen to over 96 per cent and 20 branches.

with the remaining 30 per cent offering higher rates of interest. It had risen to over 96 per cent and 20 branches.

Secondly, three years ago, the securities and an increasing hardly changed at all under the slightly to QR 3.27bn while

new agreement, which are the prevent a spiral of land About 50 per cent of the most talked about subject speculation, and so the town deposits are still maintained in among bankers. Given high does not have hundreds of dollars, with the other half interest rates outside for dollars. with local rates is enormous-at times nearly 10 per cent Small wonder, say local bankers. that many Qatari depositors are preferring to shift into the foreign currencies.

> Liquidity problem The outflow of money from Qatar is now becoming a serious problem, the bankers say, to the point where a major liquidity problem may be brewing. Urgent action is required to prevent a curtailment of credit.

Agency officials concede that Until the end of last year, interest rates on advances and deposits in local currence. of the country. Foreign assets ber 1978 to a year end total last year of QR 2.097bn, an increase of about 15 per cent, though at times the rise has been higher than that.

But private foreign currency

deposits are also rising, an indication of the customers' switchcent a year and advances be charged at between 7 and 9.5 ing over from rivals. In the 12 months preceding December 1979, it went from QR 260m to QR 424m, an increase of QR 164m. The ratio of sight to measure to date, and has led to time deposits had radically open criticisms in the local changed also, for in the pre-Press by prominent resident vious year about 48 per cent bankers. Their argument is of the foreign currency deposits that with the old inter-bank were sight, but a year later agreement, the community had this had declined to 16 per

"cowboy" action by the banks as large as was thought. How-and perhaps unwise competition ever, in reply the local bankers

QR 2.8bn while deposits were QR 3.3bn, a ratio of 86 per cent. deposits remained at the QR 3.39bn level.

Local bankers add further that the situation is greatly masked by the dominance of the Qatar National Bank, whose deposits represent nearly 50 per cent of the total and whose lending policies are conservative.

Agency officials concede that

the liquidity ratios may be high, and believe the outflow may have been as serious as happened in Kuwait late last year. However, government officials take the view that any hike in interest rates would lead to an increase in inflation, which the Government has always been anxious to avoid. Inflation in Qatar is in fact one of the lowest prevailing in the Gulf—about 8.5 to 9 per cent, according to commercial bankers. Further, the agency has made use of revaluations of the rival as a method of encouraging money to stay at home. During the last year there have been four revaluations against the totalling 3.5 per cent.

The continuing uncertainty in the region and its effect on the financial scene requires a response from the central bank the local bankers believe. At a December meeting between the monetary agency and the bankers' association, the agency promised to study the possibilities of swop facilities and other measures, though no such study has begun yet. Another factor

although this could be done easily, the central monetary agency does not yet have the staff for the practical imple-mentation of any such measures. Coincidentally, the QMA is stepping up its recruit-ment drive within the Arab world to provide such staff.

Kathleen Bishtawi

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# Education vital part of development

EDUCATION IS a vital part of In addition, graduates are recognises that classrooms the general development of a being lured to a comfortable alone do not necessarily make small country such as Qatar, social niche by the West Bay a university: "We recognise where only a quarter of the senior staff housing scheme the need to promote social as population are Qatari citizens. Under this plan, senior Qatari well as academic growth, and cians is paramount.

Such an objective is not achieved overnight, as can be seen in the fact that in the 22 years that schools have existed in Qatar, only 72 Qataris have qualified as petroleum

towards the mass education of

In this academic year, the Qatar school system is handling over 38,000 students, nearly for the last two years, functioning from two former elementary nationals. The rest are from schools and has already pro-Palestine and Jordan (15 per duced some 280 graduates, cent); and from Egypt and other Quar University now has an

tion and money on its potential the subjects taught will wait their holidays and to help them future managerial class, and until the new buildings are to enjoy foreign books."

those students studying abroad complete in 1982. By then, A sad comment, perhaps, for are paid handsome salaries, plans will be advanced for the any Qatari girl, with more ambibooks allowances and even money for a clothes budget. In all, the Government estimates that some \$12,000 is invested in every student at Qatar University each year. For those students overseas in such sountsies as the IIS the scent countries as the U.S., the grant alone runs to \$670 a month, with allowances coming on top of that. Qatar students in Britain are paid a basic salary of up to £260 a month. And when the graduate

returns home, entry into Government work is almost guaranteed. such is the hunger to "Qatarise" official departments and lessen dependence on foreign Arab and Western expatriates.

For, if Qataris are to retain Government staff with degrees a grip on the direction of the are offered a loan of up to local economy, the need for 500,000 riyals at low interest skilled managers and techni- rates to build a home in this, the most prestigious residential area in Doha. He is offered a choice of 16 designs, and the eventual home that he will occupy would suit the taste of any senior Western manager.

One of the ambitions of Qatar's education policy which The education system began relatively early in Qatar, for its ruling family has never exhibited the same distrust shown by some other Gulf sheikhs the mass education to department attempt to avoid department attempt to avoid department attempt to avoid towards the mass education of their people. Thus, Qatar has been able to achieve a much higher literacy rate than many of its more "olled" neighbours, and today education still absorbs some half a billion riyals (£59m) of its capital development had. and today education still absorbs some half a billion riyals (£59m) different life-styles at such an early age. Neither has the get each year. The somewhat longer tradition of education in the country can also be say the country can also be seen the existing social structure. Its in the fact that 31 per cent most ambitious project so far of all teachers in the country (which number 3,112) are Qataris—a relatively high ratio. the existing social structure. Its

**Engineering faculty** 

University of Petroleum and Mineral Resources. However, the new university of Qatar will boast accommodation for some 4,000 students, with extensive libraries, gymnasiums, lecture halls and recreational facilities.

under special agreements, of a number of nearby universities —for example, undergraduates in petroleum engineering are being educated at the Damman

The president of the University, Dr. Mohammed Kassem,

whereby students can visit other countries and meet young people and workers of other

Sadly this scheme is not open sadiy this scheme is not open to the majority of Qatar University's students—namely the girls, who, at present, number two-thirds of the total intake. Like other "home-grown universities" in the Gulf, Qatar's own campus is rapidly developing into an institute for higher ing into an institute for higher learning for those girls whose parents are still reticent about sending their daughters overseas, whereas the boys are still pushing for foreign educations in Cairo, UK or the U.S. At present, only 23 of the 100 Qatari post-graduates studying overseas are women.

Education of women is still a controversial subject in Qatar, not because many are against it, but it will pose questions about the future of the large numbers of educated women who are emerging from the schools and the university. Perhaps the most ironic and tragic twist for Qatar is that the country desperately needs every educated skilled national in order to lessen its dependence on foreign personnel, and yet the social laws of Wahhabism preclude any but a modest role for women.

Gulf areas.

All education in Qatar is free, in four faculties — these are and the cost of books and transport is taken care of by the Government. Indeed, as the level of education goes higher, the Government lavishes attention of th continue their studies — for

any Qatari girl, with more ambitious ideas. Not all young women accept the social limita-

Yet, the situation is slowly changing for Qatari women. The marriage age is creeping up from a norm of 14 years of a decade ago to the late 'teens and over, today, and there are even a number of 25-year-olds who are unmarried and studying. Most, though, follow their academic years by marriage, should after the studying the state of the studying academic years. shortly after. University studies remain, for many, an outlet, for as one Qatari girl put it: "There is very little to do here, except study."

Kathleen Bishtawi

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# Foreign manpower a sensitive problem

MANPOWER and immigration any of the Government planners but no different from, say, the are two of the most explosive is to invite a lengthy discourse Asian communities in the UK topics of conversation in Qatar on the ulterior motives of "It is a problem perhaps, but as they are in all the Guif States. The officially accepted ratio of Qataris to non-Qataris is around 1 to 4 and Government statistics put the population at around 200,000, a figure that has been quoted by civil servants for some years now. In fact, the ratio of foreigners in Qatar is better than in many other Gulf States such as the United Arab Emirates, where nationals represent only 15 per cent of the population. But with Qatar's indigenous population estimated at between 40,000 and

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on the ulterior motives of Westerners wishing to explore possible sources of instability. "By writing about it," one Government official said, "you make people think there is a problem, and by writing about it you may create one." It is, as the statement shows, an unpopular subject of discussion between foreign journalists and between foreign journalists and Government officials and no Minister agreed to be interviewed on the subject.

#### Guessing game

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Most will not even concede 60,000, its smallness in juxtaposition to its wealth contributes an additional factor for concern on the part of outside observers.

MOST will not even concern that there is such a problem in Qatar. One Government officials, referring to the predominance of foreigness in Qatar, felt it was Yet to mention the subject to an odd situation, even unique,

group

Problem it may not be, sensitive it certainly is. The last census in Qatar was in 1970; its findings were cautiously distributed to senior Government personnel and then rapidly with-drawn, only to be left lying in the desks of a handful of people ever since. In the absence of any Government figures on the sub-ject, diplomats and economists are therefore left to play a guess-

Foreigners are not new to taken of the population in 1908, member of such a normally only a few decades after the al-Thanis came to settle in the State show that came as Qatar, for the earliest estimates rare compliment from State, show that some 23 per cent of the total were foreigners. They were mainly negro slaves, who worked in the pearl industry and have subsequently been fully integrated into Qatar

The total population then was estimated to be 26-27,000. By 1970, however, the bonus of oil wealth had begun to be reflected in the population, and the foreign element had reached 59 per cent out of a total which was estimated at around 112,000 to 130,000.

Nowadays the foreign guestimates put the total at around 210,000, which is roughly the number the Qatar electricity number the Qatar electricity supply department works on. It believes the total breaks down as follows: 75,000 Pakistanis, between 40 to 60,000 Iranians, residents and citizens of Iranian origin, between 40 to 60,000 Qatari citizens, 25,000 Indians, 20,000 Palestinians, 7,000 Western expatriates and about 1,200 to 2,000 Koreans.

The immigrant population is thus predominantly Pakistani, a factor which was reported to cause some concern, particularly during a visit some years ago by Pakistan's then President Bhutto, when thousands of Pakistanis flocked up to the airport to greet him. ("They suddenly realised that the loyalties of the bulk of their popu-lation lay somewhere else," commented one foreign

The Iranian figure (which comes from Iranian sources)
includes three types of imminaturally hopes that during the grant, First there is the pure coming decade a great deal of Iranian, with an Iranian passive port, resident in Qatar, said to number 7,000. Then there are the seasonal workers who significant factor is that over the seasonal workers who some come of the Qatari population. come over every year after the 50 per cent of the Qatari popu-harvesting back home (this lation is under 16, and thus as has largely reduced in recent yet outside the employment

As with other Gulf States, Qatar is becoming concerned about the growth of its Asian community and also the possible influence of Iranian Shiites in their State. Over Ashura last year, a large crowd was reported to have gathered at the mosque and a response force from the police dressed in full battle gear was standing by. It was the first time that there had been a large-scale demonstration for Ashura in power would be around 24.840; Qatar. Pictures of Khomeini out of this 18.460 could be are also reported to decorate many shops in the souk, and significantly, the Ayatollah's photo was seen some nine months before the actual fall

Yet the Islamic appeal of Iranian shia-ism as expounded by the Iranian mullahs is unlikely to cut any ice among the Oataris themselves. Their State is conducted on strict Wahhabi lines, and the benefits of the oil wealth are slowly being distributed among them. Another factor, and the most important, is that the al-Than ruling family is the most numerous tribe in Qatar, and loyalty to the Emir highly developed through family and tribal ties. This alone makes Qatar one of the most stable States in the Gulf.

Forged visas

Nor has the Asian com-munity, despite its predomimunky, despite its predominance, had much social or cultural effect in Qatar. There are no tell-tale signs of cultural imbalance as exists in the Emirates, where almost every shon gign is in four language. shop sign is in four languages— Arabic, Farsi, Urdu and English. There is still some smuggling of Asian labourers going on, most arriving on forged visas from Pakistan, and some 10 cases of this nature are tried weekly in the local courts. So far no Qatari has yet been prosecuted for selling visas, though foreign sources say it does go on.

Despite these figures, which to outsiders may seem disturbing in so tiny a State, Qatari society is one of the most harmonious in the Gulf. Relations between the Qataris and their foreign labour force, whether residents of 15 years standing or just a humble constanding, or just a humble construction worker on a two-year contract, do not seem to be characterised by the same stresses as in other countries. Foreigners are not so harassed in millions of petty ways by the authorities. Furthermore, when Qataris have assumed high positions — leapfrogging over a foreigner in the process

-the transition has been rela-This harmony is not only

This harmony is not only detectable by the occasional visitor to Qatar. The State's white-collar workers — clerks, engineers and accountants—appear to feel a greater sense of security in Qatar than can be seen among foreigners in other Gulf countries. Gulf countries.

Said one Palestinian: "The Qataris are really quite pleasant and gentle people, and I would rather work in Doha than any other place in the Gulf such as Saudi Arabia or Kuwait, even if the money is less." It was a

Such sentiments augur well for the future, for Qatar will for the future, for Qatar will always have to rely on foreign labour. Imported workers continue to grow in numbers each year in Qatar, despite an anticipated drop owing to the slowdown in 1977. There were more work visas issued last year than in 1978—12,921 against 7,384. This does not reflect the true number of incoming labourers for when a worker is coming in for only a incoming labourers for when a worker is coming in for only a few months, the employer frequently does not get round to getting him a work permit, say Labour Ministry officials. Illegal entrants such as immigrants arriving on remote beaches does not happen so much because of tiths patrolling. much because of tight patrolling of the country's coastline.

Nevertheless, the foreign workforce is growing faster than was previously estimated In the absence of any official up-to-date figures, the only reliable statistics are contained in an ILO report on Qatar's future manpower assessments which was made four years ago. It was estimated than that by 1981 the workforce would be around 70,000. It is already 80,000. Of those 50,000 are in the private sector, and the rest is Government administration. Industrial needs currently absorb about 10,000 of these workers, though the number is expected to grow to 15,000 in the next five years.

#### Social codes

years with the rise of wealth pool. Another factor is that the and wages in Iran). There are also some Gulf people of Iran origin, and lastly there are the Qataris of Iranian origin. on many jobs. Qatari women when they do work, are con-fined mainly to teaching and nursing, two fields where they have done extremely well. If women are in future to be limited to certain roles, then their absence from the field will have to be made up by foreigners.

The ILO report concluded that by 1981 the estimated additional supply of educted manexpected to continue further education, leaving 6,380. employment of educated girls were limited to certain jobs and sectors, as at present, the availability of educated manpower would be reduced to 5,110.

Despite these handicaps, Qatarisation has made significant strides, if only because the authorities were determined on it in the first place, rather than accepting the easier alternative of employing Western experts at the top. The central bank staff, for example, are nearly half nationals, the industrial sector has 30 per cent Qatari content in its labour force, and in the oil industry the propor-tion is higher. QPPA (Offshore), for example, is reported to have 631 Qataris out of a total staff of 1,478. Of these 34 are senior staff, 104 are in the intermediate staff, 104 are in the intermediate grades and 493 are at the operator level, which rebuffs the theory that every national wants to be a manager. The oil organisations are also taking a lead in training Qatari women as secretaries.

In the industrial sector, the national content tends to be slightly lower (QAFCO has only 150 Oataris out of 950 staff), but

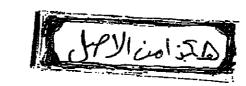
150 Qataris out of 950 staff), but then nationals are to be found on the operating floor, often doing shift work, which represents quite a change in lifestyle

for these desert people.

A frequent question asked by the more blunt-spoken visitor is why build industry at all?

Why not invest money overseas, creating industry in the Arab countries, or simply live off the return from secure investment? That way, the theory goes at least Qatar will not have the manneyers problem and social manpower problem and social imbalance at all. Mishal, Qatar's industrial supremo, and himself industrial supremo, and nimselt originally a foreigner but now a naturalised Qatari, asks in reply: "What would you have us create here? Nothing? Progress comes through work, developing your country, a constant learning process and through that comes civilisation. What would you have us do? Your way would only produce

a nation of portfolio managers." Kathleen Bishtawi



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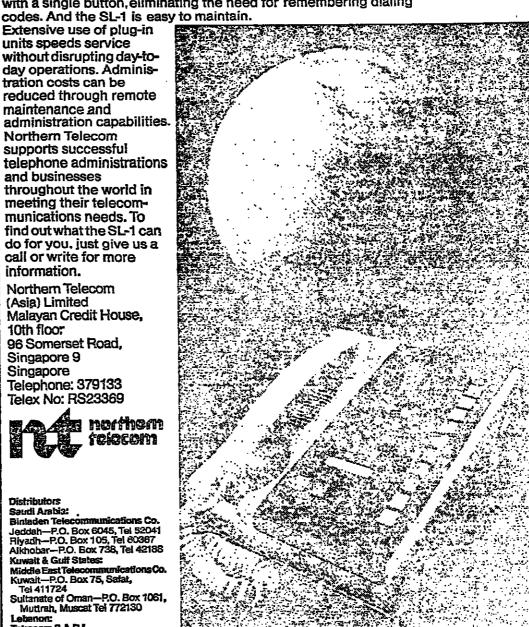
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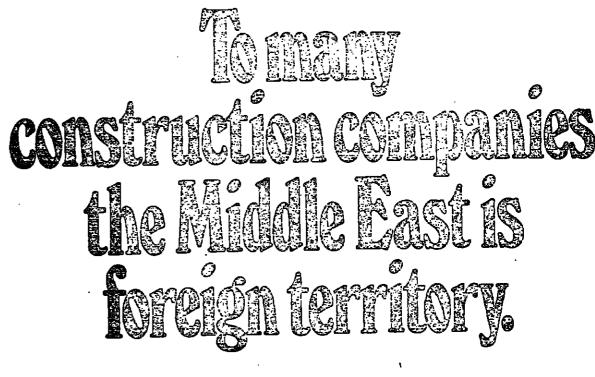




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# Colourful myths of Arabian society

NOWADAYS, THE myths of of books written in the first half the historical material but is to nationhood Mohammad, his traditional Arabian society are of this century, and in a huge promoted not by newspapers number of files now declassified and oil companies but by the under the 30-year rule and kept ministries of information—public relations company network, London. There are the records which accounts for a lot of Gulf of the British residency and journalism, and sponsors glossy agencies in the Gulf, which were

This publicity machine is at pains to avoid glamourising past economic conditions, even though a good number of expatriates seem to have ended up believing that there was something pure and romantic about the pearl industry, which in reality was financially unrewarding and as physically debilitating as any form of manual labour in the poorest Third World countries today.

The main distortion of traditional Arabian society, projected partly consciously and partly in sheer ignorance by the PR machine, is that it was harmonious, peaceful and presided over by benevolent rulers beloved of their subjects. Tales of fratri-cide, piracy and revolt are kept to the 19th century, where they are far enough away in time to be colourful and romantic but irrelevant to modern politics.

#### Favoured

Not all of the picture is false. The rulers were approachable, at least for those of their subjects who belonged to the communities they favoured, which normally included the various groups of Sunni Arabs but excluded Shias and immigrant

Likewise, there were wise, trong and well-respected rulers, such as Abdullah bin Jasmin, who ruled in Doha from 1913 until 1948, and Hamad bin Isa, who ruled Bahrain in the 1920s and 1930s. In general, however, life in the Gulf before oil and in the early days of oil was more turbulent and riven with discord between communities than the Ministries of Information and the glossy books would have us believe.

The evidence lies in the memories of the older genera-

in the India Office Library in established as outposts of the empire in India.

For the most part, they contain correspondence between the resident in Bushire and the political agents in Kuwait, Bahrain and Muscat, which at first sight appears an unenticing prospect. In fact, the letters ing record of daily life in a dusty, lonely and desperately hot outpost of empire. Many of the participants, whose faded handwriting appears on the cream vellum of British correspondence, or the cheaper headed notepaper of the Arab merchant houses, are the famous names of modern gulf history: Ibn Saud, Sir Percy Zachariah Cox, the resident at the time of World War I; Sir Charles Dalrymple Belgrave, adviser to the Rulers of Bahrain from 1925 to 1957; Yusuf bin Ahmed Kanoo, founder of the family that now owns the Gulf's biggest shipping and travel agency; and the Algosaibi brothers, who were Ibn Saud's representatives in Bahrain.

The India Office Library has been the basis of two books by Rosemarie Said Zahlan: in 1978 The Origins of the United Arab Emirates and now The Creation Qatar (published by Croom Helm). Like its predecessor, The Creation of Qutar is an academic book which traces Qatar's history from the 18th century to the late 1940s, after which the records remain classified. There is then a short patch where the author skims quickly and tactfully over the 1950s and 1960s, when Qatar suffered a period of extravagant and ineffective rule, before she turns to an analysis of the politics and society of modern

This section, the last third tion of Arabians, in a handful of the book, is less original than

on how the constitution tries long-lived, to mould together modern legal language and concepts of government with the traditional system of rule understood by Qataris. The result is a docu-ment which renders itself almost null and void through giving the ruler powers to overrule all its provisions.

The book's major value, however, is in the historical material, and particularly in the material which covers the late 19th century and the first 50 years of this century. Whereas most books that have touched on Gulf "history" have confined themselves to a few travellers' accounts and anec-dotes, The Creation of Qutur embarks on a proper analysis of what made Qatar emerge as a nation state, when it began as no more than a thinlypopulated appendage of Arabia, with nothing in its racial make up or social traditions to distinguish it from neighbouring pieces of territory.

#### Social traditions

The outcome of the analysis is that it was first of all quarrels within the Khalifa family, which now rules Bahrain and in the early 19th century ruled both Bahrain and Qatar, and then local resentment of the rule of one of the Khalifas, which led to the Khalifas launching a naval expedition against Doha and so provoking British inter-

In settling what had been a flagrant breach of the maritime peace treaties which they had concluded with the main chiefs of the Gulf, the British found themselves dealing with Mohammad bin Thani, the representative of the people of Doha, whom they had not had occasion to deal with before. This in itself gave Mohammad a special status which was not dissimilar to that acquired by the rulers of the Trucial States.

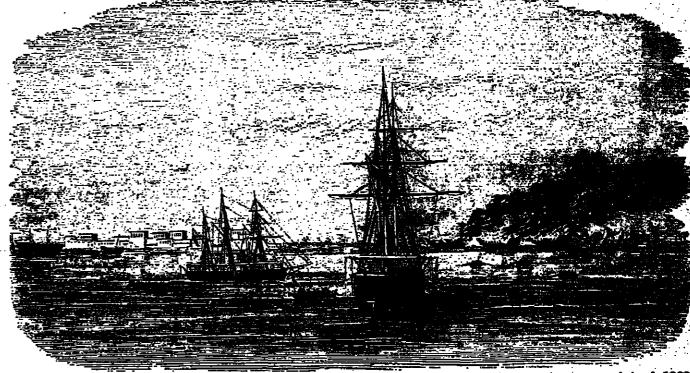
certainly not a gloss-over, son Jasim and his grandson There are some wry comments Abdullah proved themselves courageous and clever rulers. They negotiated and fought successfully with the insula and the Hasa area of eastern Arabia in the 1870s, and concluded further advantageous treaties with the British.

The mere fact of the long, upinterrupted leadership of three successors of one man, Thani, served to establish the family as the accepted rulers of Doha and most of the coastal areas of the peninsula. It is significant that even today many of the older members of Qatar's population seem not to make a distinction between the concept of the state and the person of the

Finally, the transition from a form of tribal independence to something approaching modern statehood (albeit under British protection until 1971) came about with the beginning of oil production in 1949. This enabled Oatar's rulers to embark on de velopment programmes which in turn necessitated the creation of some of the apparatus of a mod-ern state. An incidental but important side effect of oil was that in Saudi Arabia and all the Gulf states it diverted the rulers' attentions away from old quarrels and boundary disputes and onto more constructive matters.

Admittedly there are still some offshore boundary disputes outstanding, and a few land boundaries have been settled only within the last decade, but Qatar's case the coming of oil led quickly to a formal agreement on the land frontier with Saudi Arabia and the tacit abandonment of the longstanding Khalifa claim to Zabara, a small town on the northwest of the Qatar peninsula.

In the course of her analysis of the making of a Gulf state, Mrs. Zahlan tells a lot about the day-to-day realities of Gulf society and politics in the first half of this century. It is here



Pirate dhows burning in the Persian Gulf after an a ttack by British naval ships. From a print of 1868.



Left: the souk in Doha, a traditional part of Middle East life, and (right) the new souk which is

important not just in an academic sense. The relationships of the past help set the pattern of Gulf politics today, and in what may turn out to be a period of instability in the region old political emnities and ambitions are quite likely to

come to the fore again. Most obviously there is the question of the status of the sheikhs before oil. It is widely known that in the 1930s and 1940s the members of the various ruling families were much less a class apart from the rest of the population than they have become since oil revenues made it possible for the rulers to enrich them.

What is not so well known is that virtually the only people to have any superior status at all were the ruler, known as "the Sheikh," and his deputy. Other members of the families were not refered to as "Sheikh" ne rulers of the Trucial States. that she explodes part of the and often did quite menial tasks. In the next stage of the path publicity mythology. This is There were truck-driving mem-

bers, or watchmen members; Sheikh Nasser bin Khaled, the present Qatari Minister of Commerce, used to be the sergeant of the night watch.

Another aspect of Gulf politics before oil that was not as it is imagined to be today concerns relations between the Gulf states and Saudi Arabia. For most of the last 30 years the Gulf rulers have been able to deal with the Saudis on reasonably equal terms, because until recently the Gulf rulers had more spare funds at their disposal and up to 1971 were protected by the British.

#### Much in awe

However, before oil enhanced their status and before the British became deeply involved in the Gulf after the Second World War, the Gulf rulers were much in awe of Ibn Saud, and Ibn Saud in turn seemed

always to be on the look out for inevitably concerned with the opportunities to incorporate encroachment of Saudi parts of neighbouring territory into his own kingdom.

There were constant attempts to extend Saudi authority over people of central or eastern Arabian origin in the Gulf states, and the sheikhs of the Gulf seemed only too ready to cave in to this pressure. This. was much to the annoyance of the British, who spoke on one occasion of the sheikhs developing a "Bin Saud complex."

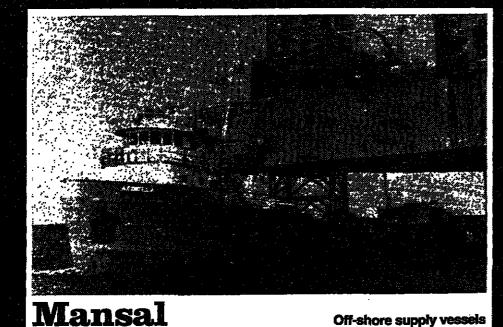
In Qatar and the Trucial States in the 1920s and 1930s the rulers paid taxes to Ibn Saud, and in Qatar the ruler tacitly acknowledged that the desert areas of the interior of his sheikhdom were subject to Ibn Saud's authority. Because and how much more the Gulf the British role in the Gulf was rulers look to King Khaled not concerned mainly with the as a fellow, and equal, head sheikhdoms' relations with out of state, but as a tribal chief side powers, an impressive of all Arabia. side powers, an impressive amount of the correspondence in the India Office Library is

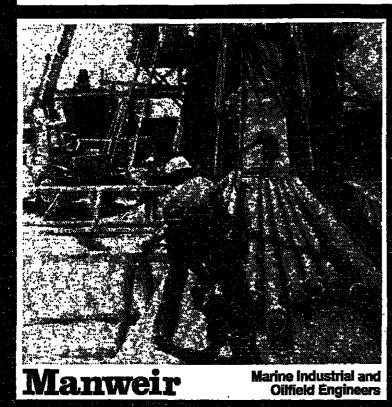
There is no disputing that oil revenues have made all of the Gulf states more distinct entitles than they were, but the sheer volume of India Office correspondence on the subject alters one's established perspective on Saudi-Gulf State relations and makes one wonder how indepen-dent the Gulf states seem today when viewed by Arabian eyes in a purely Arabian context.

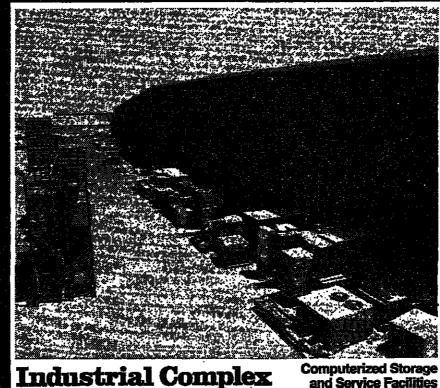
Anyone who has been in frequent touch with the Arabian oil states in the past five or six years cannot fail to have noticed how much more Saudi orientated the ruling families and the merchants have become,

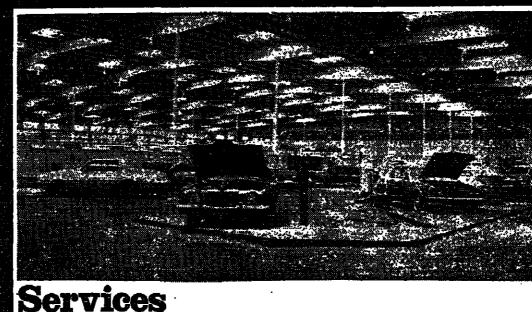
Michael Field

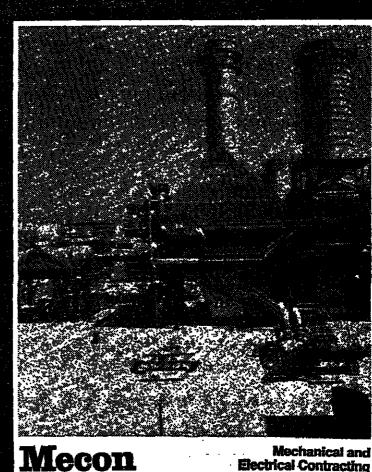
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# Mrs. Thatcher's overmighty baron

MRS. MARGARET THATCHER turned a deeper shade of pink, is turning out to be a weak but that is all. And there the Prime Minister. There is no other explanation of why Mr. James Prior, the Employment Secretary, has not been dismissed from office, or at least the political equivalent of confined to barracks.

On Monday Mr. Prior gave what is known in the trade as an unattributable briefing to labour correspondents. In the course of it he suggested that the Government had no confidence in the management of the British Steel Corporation and that its Chairman, Sir Charles Villiers, might have to be replaced before he is due to retire in September.

...An unattributable briefing means that the correspondent may report what has been said, but may not reveal directly who said it. Thus on Tuesday morning stories appeared in most newspapers about a lack of government support for Sir Charles, but with no direct attribution to Mr. Prior.

One Tuesday afternoon Mr. James Callaghan, the Leader of the Opposition, raised a question in the House of Commons. Was it not extraordinary, ne asked Mrs. Thatcher, that a Government, Minister should be appearing to undermine the authority of the BSC management in the middle of the steel dispute, and did she have any idea who the Minister was?

Not surprisingly, Mrs. Thatcher ducked the issue. She entirely agreed with Mr. Callaghan that the position of him to do it.

matter rests, or does it?

The point about the story is not whether Mr. Prior's views of Sir Charles Villiers are right or wrong. Indeed his views were already well enough known to anyone who cared to ask before this week's reports appeared, and they may very well be correct. The point is about the authority of the Government

Before the Tories were returned to office, they made great play of the Labour Government's weakness. Mr. Callaghan, it was suggested, might have his instincts in the right place as Prime Minister, but he was inhibited by his party's left wing and, in parti-cular, by Mr. Anthony Wedgwood Benn who was entrenched in the Cabinet even though he frequently reserved his position on the Cabinet's decisions.

The Tories were right. Both Mr. Callaghan and the then Mr. Harold Wilson before bim would have liked to have dismissed Mr. Benn from office. Yet they could not, or dared not, do so. They feared that Mr. Benn outside the Cabinet might be a source of considerably more trouble than Mr. Benn inside. The very act of getting rid of him could have led to a revolt. They exaggerated perhaps, but it is hard to avoid Thatcher is in a similar dilemma with Mr. Prior.

Mr. Prior represents the alternative Tory Government. the BSC Chairman should not be It is not just a matter of what undermined. Sir Charles and he leaks to the Press about the the trade union leaders had a management of BSC. The job to do in settling the strike, Employment Secretary tends to and she had every confidence in distance himself from the whole him to do it.

Tange of current Tory economic Mr. Prior was sitting two policy. Whatever the Treasury places away from the Prime Ministers say or do, he is ready Minister on the Government with a nod or a wink, and





The Prime Minister (right): problems with Mr. Prior. Mr. Whitelaw (left): re-emergence to the ferefront

suggest that there are alternative approaches.

It is true that there are other members of the Cabinet who think in the same way, but they are less directly concerned with economic questions. It is Mr. Prior who stands in readiness for the celebrated U-turn if and when present policies are shown to have failed. In doing so he encourages the belief that the U-turn will take place and undermines the authority of the Treasury team as well as of Sir Keith Joseph at the Department of Industry. After all, if conclusion that Mrs. some members of the Cabinet ther is in a similar dilemma do not support the Government's economic policies, it becomes harder for everyone else to believe that the policies will be adhered to.

One is not saying that Mr. Prior is in any way winning. As a matter of fact, his alternative policies are rather unclear. He remains open to the charge that the sort of approaches he favours have been tried before and have only front bench. He may have sometimes a good deal more, to led to our present unhappy

position. Cabinet economic affairs, this is still deputy Prime Minister. the dominant view.

The political conclusion is order libertarian, if that is not different. It is that the Govern- a contradiction in terms. He ment is not very well organised believes that liberties must be and not very strongly led for preserved, including the right Mr. Prior to be allowed to to strike and the right to behave as he o similarities with Labour Governments are too no coincidence that the paper close for comfort. The Employment Secretary is an lished on the same day that the overmighty baron with access to Government reasserted the media.

secondary industrial action Chief Constables and reminded another way. He is widely which was published this week, them of the full extent of their categorised as a dove, though it has been claimed, largely by powers. It is not just a matter Mr. Prior, as a victory for the of arresting pickets who appear doves. Yet when one thinks to be breaking the criminal about it more closely, it is more law. It is much more a question a victory for common sense, of preventing such actions in have long speculated that he it is hard to see how the the first place. One may assume may be a bounded that he Government could have gone any further than it is proposing to do in limiting trades union immunities unless it wished to ban secondary action altogether. Nor could the paper have been for example, turned out to be far more important voice in the Mr. John Nott, the Trade Secre-

In the part of the detects, in particular, the hand arrived at 4 a.m. before the that matters on of Mr. William Whitelaw, the pickets were on the scene and Mr. Whitelaw is a law and

to strike and the right to does. The demonstrate, but also that the h previous law must be enforced. It was on secondary action was pubneed to uphold the existing law, As for the working paper on Mr. Whitelaw called in the

issued without Mrs. Thatcher rather well planned by the Government than (say) Mr. tary, announced import controls having been convinced. One authorities. The

GENERAL

left the plant at night after the pickets had departed. It is still a funny way to conduct industrial relations, but it is better than the pitched battle that once seemed threatened. The Home Office appears to have a remarkably full knowledge of what is going on. Mr. Arthur Scargili, the Yorkshire miners'

leader and picket par excel-

lence, is being quite closely watched. Mr. Whitelaw's re-emergence at the forefront is striking in one who sometimes compromises immigration. On the economy, however. Treasury Ministers that the full resources of Home best ally in Cabinet. And so it Office surveillance are now at is turning out. Mr. Whitelaw the Chief Constables' disposal. may be a dove on tactics, but The operation at the Sheer- he is a hawk on strategy. As ness Steel works on Wednesday, deputy Prime Minister, he is a of central direction. On Monday

Mrs. Thatcher.

lessons to be drawn from 1970-74 are various. One, apparently by Mr. Enoch Powell, "What, drawn by Mr. Prior, is that the he asked. in the Government's Government left it too late to view is the basis of this policy? drawn by Mr. Prior, is that the Another is that the Tories did not become unpopular enough early enough to allow themselves time to recover before a general election. That would be the view of Sir Geoffrey Howe and Mr. John Biffen at the dumping? Treasury and is the rationale for the 15 per cent VAT and the top ately or otherwise, not to under-tax cuts introduced in Sir stand the distinction, instead he tax cuts introduced in Sir Geoffrey's first Budget. It tical mistakes, but that the

None of that alters the im-

pression that the Government is ill-organised and weakly led. To take just one example: it might have been useful if Mr. Whitelaw himself and Sir Michael Havers, the Attorney General, had re-asserted the limits to picketing somewhat After all, the possibilities of using the criminal law were outlined to the House of Commons by the then Labour Attorney General, Mr. Sam Silkin, only a year ago, yet until this week the Tories seemed to have forgotten. Nevertheless, it would be wise not to take too seriously of time before the Treasury certainly possible to conclude team is replaced by the Tory paternalists and after the treasury containing paternalists and after the treasury certainly possible to conclude that, in these days of the paternalists and after the treasury certainly possible to conclude that in these days of the paternalists and after the treasury certainly possible to conclude that in these days of the paternalists and the treasury certainly possible to conclude that in these days of the paternalists are the paternalists and the paternalists are the paternalists are the paternalists and the paternalists are the paternalist paternalists and the U-turn

served.

We may end, however, with another, another illustration of the lack workers Prior and, when it comes to on certain synthetic textiles. Mr.

experience, possibly even than Nott is a free trader. There is Irs. Thatcher.

In evidence that he believes that the measures will work and

by memories of the previous indeed "working" in this text has not been defined. The key question was posed ls the importation of these items to be controlled because

> cause they are priced unfairly? In other words, was the Goverament resorting to protectionism or reacting against Mr. Nott appeared, deliber-

they are priced too low or be-

lapsed into some improvised appears also to be the view of waffie about the nylon yarn Mr. Whitelaw. The deputy industry in Northern Ireland Prime Minister believes that one of whose constituencies Mr. one of whose constituencies Mr this Government has made tac- Powell represents. Yet the fact economic strategy must be pre-introduced because of pressures from the industry and pressures the constituencies, including Tory constituencies, and the Government did not stand up. The widespread reaction among those who had demanded the measures was that they were not enough; they will be back asking for more. Tory MPs among them. What is the Trade Secretary going to do

> restrictions on the import of polyester filament yarn are wider controls: for instance, on steel or cars. But it is equally hard to see how the restrictions fit in with the Government's decline of authority, one government behaves much like

Mrs. Thatcher, so far, is neither a strong, nor a con-sistent. Prime Minister,

Malcolm Rutherford

COMPANY RESULTS

#### Letters to the Editor

#### Non-executive directors

From Mr. J. Drum.

Sir-As a chartered secretary and also a director of a company, I was interested by Geoffrey Owen's article (February duce 19) on "The pros and cons of price! non-executive directors."

a director who has executive responsibilities and one who has not been so short-sighted. no executive responsibilities. Leslie V. Hall. Qua director they are equal. Richmond House. They are equally responsible as 34 Almondbury Close, trustees of the company's assets. Huddersfield. they are joinfly and severally Yorks. Hable as agents of the company: and they owe equally the same fiduciary duties to the company.

The fact that in practice some directors are also employees of the company, that some directors spend all their time on the affairs of one company whilst others share their time with other companies, makes no difference whatsoever in law.

The present strict legal position of a director demands a protectionism.
high and equal standard of performance. The proposed amendassault from s ments to the Companies Bill, now going through Parliament, which would require a nonexecutive director to report to shareholders on the performance of his executive celleagues should be resisted. Such amendments could lead to divided boards by the creation of two classes of director each with different functions and differing responsibilities. If not confusion, the result could well be a lowering of the present high stan-dard set by the law.

J. D. F. Drum, 2 Arlington Gardens, Chiswick W4

#### Small craft foundries.

From the Chairman, Economic Development Committee for Foundries Sir,-Dr. Hitchens (February

19) has now turned to pure invention in his criticism of the small craft foundry report; mowhere does it put forward "blanket proposals to subsidise all small foundries." Our capital loan scheme would be of value only to foundries that were basically profitable. Its monetary cost to the Exchequer would be nil. its real cost ites—outward processing and a higher level of imports from peanuts.

T. S. Kilpatrick. Millhank Tower, Millbank, SW1.

#### Supplying the 'specials'

From Mr. L. Hall. Sir. Our medern industrial world demands all manner of worm demands an manner of variants, and it is often the ability to offer the "specials" which ensures that a company does not lose the business for the more lucrative "standards."

11 and 19) persists with the view were the Class I countries. They that it would be advantageous also outdistanced Class II supto allow the small foundry pliers as regards a wide range sector to continue to decline of other garments.

The developing countries that their own clearly have no monopoly on the small foundry at their own clearly have no monopoly on the small foundry. page. This implies that it is continued in the inefficient foundries manufacturers so often imply. On the subject of interest 158 Pen which have to close when in (Not a word in Mr. Wheatley's rates payable in the Far East. Exeter. fact many good foundries fall letter about U.S. exports, which whereas they are lower than in Devon.

terns simply because large

fluctuations in customers' requirements become magnified when viewed as changing demands upon casting suppliers. Nor incidentally would it be efficient for the large automated foundries to try to produce one-off castings—at any Whenever the foundry indus-

Certainly, the article failed to try is looked at in times of of the law of directorship; that conclude that there is a UK market is, there is no difference between chronic over-capacity situation for example. -but thank goodness NEDO has

#### Threat to carpets

From the Chairman, Shaw Carpets

Sir,-As a nation dependent upon worldwide trade, we must as a general principle eschew

When an industry is under assault from subsidised competion, however, action must be taken to prevent decimation. Even the most efficient UK carpet companies are under threat from the U.S. carpet industry which benefits so significantly from low cost oil feed-

Until such time as the U.S. brings its domestic oil prices into line with world prices, it is essential that restrictions are imposed on imports of U.S. man-made tufted carpets other-wise segments of the UK carpet industry will disappear and redundancies will be wide-

The absurdity in the present situation, is that there are quotas on U.S. nylon carpet yarns which is a positive inducement for the importation of U.S. nylon tufted carpets. James Hartley.

Darton, Barnsley, Yorks.

# Move to new

a higher level of imports from countries which have advantages in comparative costs. These countries, he may be surprised to learn, include the

surprised to learn, include the United States.

If Mr. Wheatley will look at the very detailed statistics published by the European Community's statistical office, he will find item after item in textiles for which the EEC's main outside suppliers are Class I countries (defined as "Western industrialised third countries"). In fabrics, for example, Class variants, and it is often the ability to offer the "specials" in fabrics, for example, Class in the more lucrative "standards."

Dr. D. Hitchens (February 5, and 19) persists with the slew

pace." This implies that it is textile exports as European Mr. Wheatley.

the EEC market.)

In any case, the UK industry should be moving into new prowhose manufacture ducts. requires grey matter rather than elbow grease. Rather than try to make a living at any cost in textiles, Mr. Wheatley should be using his superior skills in industries which can bring him higher returns — not fulminating against developing counstress one fundamental aspect recession, it is not difficult to tries, which represent a major UK market for capital goods,

Some years ago a major selgian chemical company Belgian proudly announced that 40 per cent of its current output consisted of products unknown 10 years before.

Malcolm Subhan. Grotstraat 49. B-1900 Overijse. Belgium.

#### Trade in textiles

From the Chairman. Stewart Nairn Group

Sir,-As members of the Knitting Industries Federation we are daily faced with the prob-lems to which Mr. Wheatley refers (February 15). I agree that there is a vast volume of uninformed comment in relation to the problems of our UK textile I must, however, take issue

with Mr. Wheatley when he

compares UK labour costs of £1.14 with their Far Eastern equivalent. I have been involved with the Far East for 20 years and I can say with authority that one would have to go back seven years to find the kind of labour charges to which Mr. Wheatley refers. In 1973 cotton singlets could be imported and landed in the UK at 18p per garment, at a time when there was no 18 per cent duty payable. Today, it is quite impossible to achieve these values, even in Bangkok. Resulting from EEC provisions to limit "cheap" imports, the quota has been divided in such way that today's relatively high costs areas like Hong Kong, are allocated high quota for simple garments which they cannot produce competitively against lower cost areas such as Bangkok. In contrast low cost areas, such as Bangkok. have been allocated a high level quota for more sophisticated garments, which they are less able to supply competitively. whereas they have received a relatively small quota for

simpler garments. Without making too much of a meal of it the above results as one might gather from the resolved. protests of the Hong Kong textile lobby which is at least as is a procedural one rather than eloquent as its UK counterpart. a "real" one and as such may incidentally, if Mr. Wheatley appear to do little or nothing was referring to cotton gar- to improve the real economy. ments, I can point to several UK am convinced, however, that companies who are able to offer much of the problem with the very much better values than those he quoted. Obviously, it tudes of the people involved, would not be appropriate for whether in the Government, the me to be specific, but I am trade unions or in the board aware that one well-known multiple organisation is purchasing UK produced T shirts at a sharpens the country's perceptoral price which is lower than the labour cost referred to by massive benefits.

victim to cyclical business pat- are taking a growing share of the UK they could not be considered a subsidy as such. There is indeed an emerging problem insofar as certain low cost Mediterranean countries are concerned, but if Mr. Wheatley cares to read the official journal of the European Communities which is published daily, he will find numerous references to safeguard this and I quote an example. "Commission decision of January 18, 1980, authorising the UK not to apply community treatment to certain products falling within heading No. 60.04 of the common customs tariff originating in Rumania and in free circulation in the other member states."

> N. I. E. Ostrom 52-53, Margaret Street, W1.

#### Indexation and investment From Mr. G. Thompson

Sir.-Samuel Brittan has in a number of recent articles nu forward the case for relating interest rates on government stock to the rate of inflation. The obvious good sense of his views has led me to wonder whether there would be an even greater benefit were we to take this one logical step further by indexing not the interest rate but the nominal value of the security. This would obviously cause administrative difficulties in a traded stock but the possible advantages are large enough that this might be a small price

By providing an inflation-proof home for savings or investments a very low interest rate would be possible. Indeed, neither a nil nor negative rate is out of the question although the psychological advantage is with a positive rate, however small. It would avoid the present market disturbances caused by the massive cash flows currently involved in pay ing a high rate of interest and raising more money in the market to finance this on top of the Government's borrowing to cover expenditure. It would impart a greater reality of the actual size of the Government's borrowing requirements. There is a good deal of evidence to suggest that the greatest problem caused by inflation is the distortion of perceived reality that it produces. If this is so this final point may be of greater importance than it might at first sight appear.

To take up another idea propounded by Mr. Brittan, were the issue of such new stock accompanied by or, more likely, a meal of it the above results followed by an offer to convert in quota "farming" and in 1979 all existing borrowing into scarcity led to quota being similar stock, then the offered for sale at prices as mechanism of funding the PSBR high as 50p per garment. The would be improved and one of system for distribution of quota did, not just "happen" current interest rates would be

The change I am suggesting

Graham Thompson.

UK: British Steel Corporation. Iron and Steel Trades Confederation, and National Union of Blastfurnacemen representatives resume pay discussions. Print unions meet employers

National Amalgamated Stevedores and Dockers Union mass meeting on London Enclosed

Docks pay offer.
Mr. David Howell. Energy
Secretary, lectures on energy policy in the Uk, Surrey University. Guildford.

**Today's Events** E OCAY'S EVENTS
Institute of Directors launch Members' motions—Seat Belts figures: Ewart New Northern.

European Association.

National Association of Pension Funds conference concludes,

Department of T Easthourne.

Sir Peter Gadsden. Lord Mayor of London, attends John Carpenter Club dinner, Mansion COMPANY MEETINGS

Department of Transport Desmond, St. Paul's Cathedral, publishes new vehicle registra- 12.30 pm.

House.
The Queen opens the Elmslieigh Centre. Staines.
PARLIAMENTARY BUSINESS
PARLIAMENTARY House of Commons: Private 2.30.

LUNCHTIME MUSIC, London

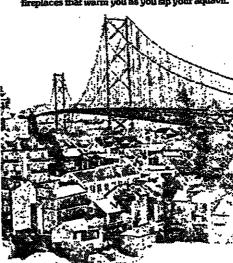
Recital by the French Song Class directed by Robin Bowman. Guildhall School of Music and Drama, 1.10 pm.

Piano recital by Vivien Ban-field. St. Martin-within-Ludgate,

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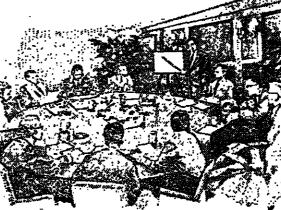
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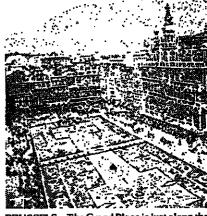


hagen to visit Hans-Christian Andersen's Little Mermaid, Tivoli Gardens (in season) or the Queen's Guard, the Copenhagen-Sheraton is deally situated. And our Penthouse Night Club



Angus Beef. Not from the cousins across the aa, but from Aberdeen itself. A speciality at our zaton-Heathrow's popular Ascot Grill.





BRUSSELS - The Grand Place is just along the street from our Brussels-Sheraton Hotel It's a pieasant stroli, especially on a Sunday morning Les Comies de Flandre restaurant. Anothe orand place in this great restaurant city.



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While the international bond markets are in disarray the

UK gilt edged market is holding steady. The Lex column considers the reasons for this in the light of the latest public sector borrowing figures. Comment is also passed on the latest results to be produced by Sime Darby. Bath and Portland is preparing to terminate its Iranian contract unless it receives cash

immediately and has had to top up its provision against Iranian

losses but there is some recovery at home. Finally Lex looks

at Roy Strudwick's attempts to buy out the minority interests

in Royco. On the inside pages there are comments on Pullman,

R. & J. Pullman

merchandiser and manufacturer period and the inclusion of the of garments and textiles, Skincraft acquisition this time.

ahead midway

Dale Electric, Al and Bernard Wardle,

of garments and textiles, advanced to £710,000 for the six months to October 31, 1979, com-

pared with £508,000 for seven months last time. Turnover in-

creased from £8.87m to £9.86m.

Trading to date is in line with

internal budgets and as stated at the AGM in November, the board confidently predicts satis-

factory results for the full year, bearing in mind that second-half

traditionally exceed those of the

For the previous 13-month period, taxable profits reached

£1.53m on turnover of £19.27m.

at the interim stage. Stated earnings per 5p share are 7.48p (7.42p) and the interim divi-

dend is effectively raised from

0.918p to 1.03p net-last year's

total was 3.2136p adjusted for the six-for-five scrip issue.

£215.000 (£138,000) and retained surplus emerged over 33 per cent higher at £494,000, against £369,000.

Pullman's first half results are

not strictly comparable because

The interim payment absorbs

There is again no tax charge

first six months.

comment

HIGHLIGHTS

# Bath & Portland shows some recovery at year end

road contract in Iran continues Group and results for the year year's profits. Chemicals earned to October 31, 1979, show turn a profit for the first time and cover down from £89m to construction at home perfr3.99m and pre-tax profits of formed well in all areas except

However home-based turnover rose by £13m and home profits equalled at least the performance were up from £2.47m to £2.76m. of other home activities but was Midway profits had slumped halted by a bad winter and the Midway profits had slumped from £2.05m to £0.20,000 and almost entirely to the cessation On prospects this year, on the Baluchistan highway Kenneth says home based activities should advance activities should advance from £2.05m to £623,000 due

Stated pre-tax earnings per share at the year-end are 17.8p before extraordinary items are long delayed it the group is to be so compared with 16.2p. The maintain both export and is being main. against 33.9p and net earnings final dividend is being maintained at 2.014p to hold the total

Sir Kenneth Selby, chairman,

formed very well and engineer- able opportunities continue to ing marginally exceeded last be sought. £2.76m against £5.17m previously. London, the chairman says.

> Agriculture should have transport strike.

further, the only limitation being for the adjustment in this year. the strong pound. He hopes a decision on MLR will not be hoped had been created in 1978

Overseas work has been originally enhanced by the award of harman states. bour works in Sudan to a total

The chairman explains what may appear to be a further provision of £1.82m for the Iran contract over and above the £3.5m that was intended to be created last year.

The directors have agreed with the auditors, who advise the company in assessing tax lia-bilities, that the changed situation between the years does not allow the company to gain the tax relief in the manner originally determined which calls of £3.5m was thus effectively only £1.68m and the entry this year updates it to the £3.5m originally intended, the chair-

# Bernard Wardle £0.65m lower after final quarter setback

profits of Barnard Wardle and slipping from £1.56m to £909,000 in the year to December 2, 1979.

Fronts are after interest sharply up from £225,000 to £578,000 and an exceptional debit of £449,000 (credit £246,000), but includes associated companies share at £46,000 against £55,000. The tax charge more than doubled from £57,000 to £138,000. Turnover was up from £26.44m

There was an extraordinary loss of £1.1m (£7,000) which includes exchange movements and also relates to the anticipated sale of the company's Dutch subsidiary Schotte, and the proposed cessation of manufacturing activities at the company's Everflex

subsidiary in North Wales. The exceptional debit £449.000 relates to the Schotte trading loss and interest payable (previous year's debit £228,000). The extraordinary item of £1.1m included an exchange gain of £35,000 with the remaining figure split equally between write-offs at Schotte and Everflex.

The company has made prostatutory redundancies and write-offs at Everflex where it is still awaiting a bid from Mr. Graham

chairman of Sidlaw Industries,

rationalisation continuing on the

The textiles division will be

reducing capacity to a level to

meet profitable demand but by the year-end, action should be well advanced, the chairman says.

Oil services and Skean Dhu

results from increased activity

and the commissioning of capital

expenditure undertaken in the previous year. At the same time,

both divisions will be expanding

office block is being built in

Further expansion of oil by Mr. R. C. Smit service facilities at Peterhead have been approved and a major Meeting, Dunder

their facilities.

local protest group.
Closure of this factory means work being transferred to a fac-tory near Colne. Lancashire, employment there will be increased by about 100 to 600. New chairman Mr. R. East,

says in his report that the last quarter downturn has continued into the current year necessitating the company to take major rationalisation decisions to pre-serve its competitive base. The Dutch subsidiary lost £86,000 in the first six months and a letter of understanding has been signed for its disposal.

Operating profits were up from £1.49m to £1.89m, before interest and exceptional items. These figures, says Mr. East, indicate a better UK performance although profits were achieved mainly in the middle of the year. Stated earnings per 10p share before extraordinary items are 4.26p against 8.3p, and after extraordinary items there was a 1.88p loss (earnings 8.3p).

The final dividend is 0.87p against 0.86817p making a total of 1.53p (1.41817p).

vision for closure costs including These are interesting times for Bernard Wardle. Not only is it 33p bid compares with net

The financing of the oil service

division's capital programme, ex-

cluding the office block will be

financed from the company's cash

will limit the use of cash but

disposals of properties and plant no longer required should con-

TURNOVER -- EXTERNAL

**PROFIT AFTER TAXATION** 

COST OF DIVIDEND - NET

EARNINGS PER SHARE

**DIVIDENDS PER SHARE --**

Net of Malaysian Income Tax

SALES AND AVERAGE SELLING PRICES:

PALM KERNEL - Sales ('000 metric tons)

- Sales ('000 metric tons)

Net of duty price (M\$)

Sales ('000 metric tons)

- Ex-mill price (M\$)

Ex-estate price (M\$)

TAXATION

FFB

21st February, 1980

PROFIT BEFORE TAXATION

Sidlaw expects growth in

oil services and hotel sides

SIR JOHN CARMICHAEL, Aberdeen with the aid of institu-

cheque-book never sleeps: it has also produced a package of and extraordinary exceptional items which turn a £1.36m profit into a £338,000 attributable loss. The dividend, noneis increased. theless. extraordinary losses fall into three camps: exchange losses of £38,000; and slightly under £500,000 apiece for closures of the Dutch Schotte and the Welsh Everflex subsidiaries. For both closures, the losses are effectively provisions—on " anticipated Schotte, and the "proposed" closure of Everflex. The Everprovision is statutory redundancy payments. But higher settlements could hit this year's p and I. Behind Wardle's restructuring is the downturn in its leathercloth market. Car buyers now prefer cloth seats, while imported leathercloth is up tenfold since 1970. Everflex leathercloth production will be transferred to Wardle luckily bought in 1977-1978. The company declines to trading. But on the basis of the

#### Goode **Durrant** upsurge

forecast by Goode Durrant and Murray Group at halfway turned of 1980, the chairman states. The out £996,000 against first contribution from this \$614,000. This left the pre-tax project will come in 1980-81. figure for the full year to October 31, 1979, some £0.62m ahead at £1.53m. The result to Change Wares' type of busirepresents a strong recovery ness, and I'm more oriented tofrom the loss of £4.64m incurred

1978 balance-sheet, Mr. Lacey's

tangible assets of 53p per share.

flow and increased borrowing if in 1977. necessary. High interest rates With With yearly earnings per share advancing from 2.2p to 3.7p, the dividend is stepped up from 0.25p to 0.75p net.

Turnover for the 12 months amounted to £41.19m (£50.45m) tribute, Sir John adds.
Sir John is retiring as chairman at the end of the annual meeting and will be succeeded by Mr. R. C. Smith, the present and tax took £595,000 (£245,000). Goode Durrant's interests lie in banking, financing, property developing, etc., and it is a subsidiary of Paisley, incorpor-Meeting, Dundee, March 14 at ated in the Cayman Islands.

Six Months to

31st December

M\$ Million

59.8

32.7

19,4

M.cts

· 215

7.2

M\$ Million

18.5

963

13

704

M.cts

Year to

30th June 1979 M\$ Million

92.2

36.4

<u>55.8</u>

47.6

123

10.4

110

975

768

195

1.90

271

6.70

WONG TET ONN

27,834

M.cts

**Consolidated Plantations Berhad** 

INTERIM RESULTS

FOR THE SIX MONTHS ENDED 31ST DECEMBER, 1979

The Directors of Consolidated Plantations Berhad have declared an interim dividend of 7 cents

per share Gross (1978-6.7 cents Gross) which will be paid, less Malaysian Income Tax, on 16th April, 1980 to shareholders registered at the close of business on 17th March, 1980.

The unaudited results of the Group for the six months ended 31st December, 1979 were:

#### **Shuffles on Audiotronics** and Change Wares boards MR. G. W. ROSE, chairman of "we're in better shape than we Audiotronics Holdings, has have been for quite some time." bought out the 7 per cent share says Mr. Rose. All divisions are

B. A. Selzer and Mr. D. J. Sullivan, who have resigned from the board. Two other directors, Mr. J. D. Gerson and Mr. J. L. Kropf, have also

In turn, Mr. Rose has sold his 7 per cent stake in Change Wares to Mr. Selzer and Mr. Sullivan, and has resigned from that board. Six other directors, Mr. J. H. Dale, Mr. A. N. Heine,

says 1979-80 will be a year of Skean Dhu which can finance mixed fortunes with good its own expansion is building a progress in the oil services third hotel in Aberdeen and this forecast by Goode Durrant and panies 18 months ago, when panies 18 months ago, when advisers and brokers, following tunes. Now, says Mr. Rose, "we have decided to go our separate ways. They are more oriented wards electronics."

Mr. Rose has seen his time almost exclusively devoted to Audiotronics over the last year, during which he has presided over the sale of the Lasky retail shops, and moved the company's focus towards audio wholesal-

Audiotropics reported £306,000 interim loss last month. But after the exit of loss-making Laskys, sold to Ladbrokes,

holding of fellow directors Mr. now trading profitably, he says, with the troubled Dutch retailing division now back in the With reserves now totally

Although the retail element of

the retail side will inevitably start feeling the pinch. However,

Skincraft which makes the bulk

of its profits in the second half (including C and V Furs) is on target to contribute around

£0.45m for the year while Ronald

Joyce, the other new acquisition,

could pitch in another £0.6m. On

this basis full-year profits could

top £2.6m and there is still cash

in the balance sheet for further acquisitions. Assuming the final dividend is also increased, the shares yield approximately 11 per cent while the fully-taxed

p/e is 7.9 at 48p-a fair rating given the short term difficulties.

depleted. Audiotronics expected to embark on some form of capital reconstruction in the near future.

At Change Wares, which makes shopfittings, wire pro-Mr. J. L. Kropf, Mr. E. C. Nevis, ducts, and is a steel stock-and Mr. R. A. Opperman, have holder, the remaining four also resigned from the Change directors are now seeking an independent chairman and a Mr. Rose, Mr. Selzer, and Mr. new group managing director. It is also looking for new the December departure of Energy Finance and General down from £25.15m to £18.96m. Trust, and Buckmaster and Moore respectively. Buckmaster unhappy with the structure of the board.

> The company reported £326.000 profits at the interim The stage. But it now says these are "not indicative of the currently expected results for the full year." The company declines to comment further before completion of audit, but it is believed that last year's engineering strike had a severe effect on the stockholding

# A I Industrial tumbles to £60,000 and omits final

ing dispute resulted in Al Industrial Products incurring a second half loss of £191,000 in 1979, compared with a profit of £653,000 last time, and the final dividend is being omitted.

The pre-tax surplus of the group, formerly Allied Insula-tors, tumbled from £1.22m to £60,000 in the year, on turnover of £19.26m, against £19.1m. Profits were struck after effectively, particularly in sharply higher finance charges of £461,000 (£128,000), and depreciation of £409,000 (£424,000).

enable the group to trade more effectively, particularly in increasingly competitive overseas markets.

The passing of the final divi-

At midway, profits were well down at £251,000 (£565,000). The directors said that, although an improvement in trading surplus had been budgeted for the second half, this had been jeopardised by the engineering

dispute. Mr. A. Lloyd, chairman, now Stripping out these considera-tions, the profits look very respectable given the current difficulties in the textile sector. says the immediate workload is generally at a satisfactory level other than for low tension products, despite the continued

strength of sterling.
Group sales for January were
10 per cent higher than for the
same month last year. However, the business is growing steadily. it is still the manufacturing side that makes most of the running in the first half. Here, the children's wear activities have made a strong showing, thanks to increased output. prospects for 1980 remain inhibited by problems arising from the steel strike, poor profit higher Middle East orders and better market penetration through its own shop-in-shop retailing. For the second half

rate of inflation, and the high cost of money, he adds.

The cost of funding the capital investment programme is proving to be considerable as a result of the current high rates of interest, be says. However, the diversification of product and modern plant available on com-pletion of the programme should enable the group to trade more

The passing of the final dividend leaves the interim of 0.85p (1.65p) as the total payment for the year. The final for 1978 was 4.5375p. After a tax credit of £4,000 (£196,000 charge), earn-

During the year the directors reviewed the capital investment programme, and expenditure of £500,000 was deferred.

comment

Trading just below par after yesterday's 5p fall to 24p, it is extremely fortunate that A I Industrial Products is not being strike an pressured to examine some of the track recemore obvious funding routes. A its fears.

respects leaves no cover for a erucially, gearing is not much more than a third. That should allow breathing space to effect a recovery but the temptation to maintain the distribution has been overcome by the damage that the steel strike and its aftermath is likely to do to the p and I this year. Order books, how-ever, are somewhat more premising (with the exception of low tension division which is going to make a small loss) and it is possible that the £300,000 of lost profit can be recouped. Capital spending projections this year have been halved to about £500,000 but start-up costs at ings per 25p share are given as Blakey's and in low tension will 0.54p (10.59p). Blakey's and in low tension will clearly affect the first half. It does seem that an admittedly strong balance sheet could come under strain and the best that can be expected short term is-that the group has enough resilience to improve a yield of 5.1 per cent on what was left of last year's dividend. But the market, influenced no doubt by the steel strike and a sluggish five-year track record, has aiready voiced

# Dale Electric slumps midway but maintains interim payout

considerable downturn from £1.91m to £434,000 in the half year to October 28, 1979, but the directors are hopeful that the group has seen the worst of bad market conditions.

However, expensive money, unhowever, expensive money, unneipful sterling rates, increasing
local manufacture and heavy
price cutting will prevail for
some months and it will be the
year starting April 28, 1980,
before rewards of decisions
taken in the first half are seen, the board states. Stated earnings per share in the first half have slumped from

6.91p to 1.57p but the interim dividend is being maintained at 1.4p—the previous total was 4.125p on pre-tax profits of Turnover amounted to £11.1m

against £13.7m. After tax of £226.000 (£994,000) net profit in the first six months was £208,000 compared with £918,000.

To make more profitable use of engineering and marketing skills, engineering and marketing skolls, the group is opening a new factory in June in Leeds to assemble and test high voltage generating sets up to 6,000 kW.

Overseas, there is increasing local assembly and tariff protection the board states. Dale has apparently by starting negotiations. reacted by starting negotiations on a number of local assembly projects and would expect the first one to be in operation during 1980.

Houchin is performing well in difficult markets, with forward orders at an all-time high. Erskine has a lower order book than last year, but there are good

comment

The figures from Dale are very disappointing, but understandable in view of current world market conditions in the electric A decision has been taken to generator industry. Pre-tax close a factory in Hull which earnings have been slashed by

PROFITS before tax of Dale manufactures small standard- 77.3 per cent and margins at the Electric International show a type generating sets, the focal same level have dropped from considerable downturn from point of intense world competi- 14 per cent at this time last year 14 per cent at this time last year to 3.9 per cent. The share price fell 16p to 96p. The reasons for the setback include the partial collapse of key markets in Iran, Nigeria, Iraq and Turkey. Together, these accounted for a quarter of group business last year. Stiff competition from other companies has also combined with strong sterling to bite into margins. Petbow showed similar. signs of strain in its last reported half. Dale is pushing ahead with hich includes the closure of its Hull factory. But the immediate future does not look bright and the group says that it will be next year before there is any brighter news. This year's pre-tax figure could be just £Im, indicating a p/e of over 20 on a full tax charge. The interim dividend has been maintained at a cost of £153,000 to come out of £208,000 in net profits. If the full year is held, the prospective yield could be a barely covered 6.2 per cent.

#### Albright & Wilson down despite second-half rise

ALTHOUGH SECOND-HALF profits improved by some £3m to fax took £3.33m (£2.05m).

£9.21m, Albright and Wilson Dividends amount to £11.91m finished the year to December (£6.36m). 24. 1979, with the pre-tax surplus Sales of the manufacturer of mainly comprise decrease in chemicals and alkled products sterling values of overseas fixed increased from £342.06m to £385.72m. Taxable profits were struck after sharply higher interest of £4.96m (£1.89m).

The directors say the results reflect a disappointing perform-ance in the UK and also the depressing effect of the strength of sterling. Profit was reduced by fl.6m in respect of the decrease in the value of over-seas subsidiaries' net current

The group, the ultimate hold-ing company of which is Tenueco Inc., was also hit by industrial troubles during the

There charges of £2.32m (£3.64m) which Burton Roldings, ladies' footwear

Westminster & Country well ahead

Taxable profits of West-minster and Country Properties, property investment and development concern, more than doubled from £70,000 to f156,000 for the six months ended October 31, 1979, and directors say current indica-tions are that the full year's result will be around twice the £177,000 for 1978-79—a peak of £946,000 was achieved in 1973-

The interim dividend is doubled to 1p net per 25p share and a 1.5p (1p) final payment is anticipated. First half turnover advanced

to £700,000 against £584,000 and profits were subject to tax of we are looking forward to £60,000 (£36,000). Earnings are another successful year. We are shown as 2.89p per share, compared with 1.01p.

## Progress at Newbold & **Burton**

PRE-TAX manufacturer, increased from £702.000 to a record £841.000 in 1979, with turnover up from £9.92m to £11.64m.

A final dividend of 2.380 against an adjusted 1.526675p is recommended, making a total 3.78p (2.452143p adjusted). At the halfway stage the com-

pany had pre-tax profits of £276,000 (£219,000) and the directors said excellent order books and higher levels of pro-duction made them confident for the second haif.

Tax charged for the year was lower at £267,000 (£330,000). Stated earnings per 25p share are 13.6p against an adjusted

ictian.

NYF

E<sub>erner</sub>

BROOKE TOOL

**ENGINEERING** Mr. Sandy Saunders, chairman of Brooke Tool Engineering (Holdings). expressed optimism at the annual meeting saying: "Our order books are strong and

Date Corre Total Total

#### **Brentnall Beard (Holdings)** Brentnail Beard (Holdings), strenuously defend the third

the insurance broker with Lloyd's of London interests, and its auditors, Touche Ross have decided, following the commencement of a third party action by Sasse Turnbull, the managing company of the stricken Sasse syndicate, that it is premature to express any opinion as to the effects of certain contingent liabilities on the group's financial position.

A note to the accounts for the year ending September 30, 1979, said that "contingent liabilities exist for indeterminate amounts of suits and claims. In the opinion of the legal advisers and management of the company the optember of these company, the outcome of these contingencies will not have a materially adverse effect upon the group's financial position."

Last night the group said that after further consideration and in the light of events since the accounts were issued and in particular the fact that Brentnall Beard International and Brentnall Beard Limited (wholly owned subsidiaries) have been joined as third parties by Sasse Turnbull and Co. in the proceedings brought by some of the names on syndicate 762 against Lloyd's and others.

Brentnall Beard added that it intended to repudiate the alle- construction industry. gations made in the third party notice and intended

 Sanco Zeragoza
 208

 Dragados
 101

 Espanola Zinc
 62

 Facsa
 57.2

 Gal. Preciados
 35

 Hudrols
 52.7

 Iberduerq
 59.7

 Petrolibos
 112.2

 Petrolibar
 68

 Sogoñas
 115

third party proceedings.
The group's annual general meeting is on Monday, March 3.

#### Fredk. Parker shows growth to over £4m BADLY HIT by the collapse of

the Iranian market, trading profits of The Frederick Parker Group slumped from £5.29m to £2.81m for the year ended September 30, 1979, on turnover £4.56m lower at £31.67m. However, after including exceptional credits of £1.27m, against £1.56m debits, the pre-tax surplus was ahead from £3.72m to £4.08m.

Sales in the second half showed a good increase over the first six months and profits followed this pattern. Mr. Ken Parker, the chairman, says the favourable trend has continued and results for the first two months of the current year are ahead of last time and he is therefore hopeful of increased profits for 1979-80. Principal activities of the

group, which was restructured last July, are the manufacture and hire of equipment for the

World trading prospects for the group appear a little brighter at present, the chairman states, but because of the uncertain economic situation the final dividend is held at 6.518p, making an un-changed net total of 8.993p per 10p share. Stated earnings per share increased from 12.9p to 21.8p, after tax down from £1.85m to £0.93m.

The company's shares are traded by M. J. H. Nightingale and Co.

As a result of overstocking and the need to support the sales upturn in the second half, bank borrowings were increased from £0.81m to £3.01m at the yearend. But the chairman estimates that the bank overdraft will be reduced by the end of the current year.

**DIVIDENDS ANNOUNCED** 

	_			~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~	****
	Current	o£	sponding	for .	last
The second of the second		payment		-year	year
A. I. Industrial	Nil	_	2.89	0.85	4.54
Angle American Coal	160	April 18	48	90	73
Angle-Intal. Inv	3	April 8	2.6	4.5 -	3.6
Bath and Portland	2.01	April 2	2.01	3.61	3.61
Dale Electricint.	1.4		1.4	·	4.13
Good Durant & Murray	0.75	March 2		0.75	0.25
Gripperrodstint	2.25	April 3	1.81		7.5
Newbold and Burton	2.38	April 3	*1.53	3.78	2.48
R. and J. Pullmanint.	1.03	May 6	•0.91		3.21
St. Andrew Tst	§3.35	April 14			4.9
Updown Inv.	1.75	March 2			1.3
Bernard Wardle	0.87				
Wstn. Selection 2nd int.		April 25		1.53	1.42
Westwood Dawes		April 3	1.23	2.1	2.1
	1.5	April 15	Nü	3.5	Nil
Dividends shown pence a	er snare	net except	t where o	therwise	stated
* Equivalent after	allowing	for seri	o issue.	+ On	capita

increased by rights and/or acquisition issues. ‡ Gross throughout. § Plus 1p special dividend out of non-recurring payments by UK companies following end of controls. § South African cents.

#### M. J. H. Nightingale & Co. Limited Telephone 01-621 1212

l		Fom a-sn	Company	Price	: Change	Gross Div (p)	Ylald	P/E
		72 36 185 63 88 100 102 45 113	Airsprung Ord. Armitege and Rhodes Berdon Hill County Cars 10.7% Pl. Deborah Ord Frank Horsell Frank Horsell Fragerick Packer George Blair Jackson Group insur-	73 -36 234 85 92 98 108 105 63	1 1 1 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Div (p) 6.7 3.8 13.8 15.3 5.0 7.9 12.8 18.5 5.2 7.2	9.2 10.6 5.9 18.0 5.4 8.1 11.5 15.7 8.3 6.3	4.31 2.41 6.91 50.1 4.91 4.91 10.1
	232 34 80 56 85 190	175 163 70 23	Torday Limited Twinlock Ord. Twinlock 12% ULS Unitock Holdings Walter Alexander	250 218 214 76 51 85 182 r provi	+1 +1 -1	12.0 2.6 4.4 25.8	6.6 4.0 15.8 5.1 5.1 5.3	8.01 5.71 4.01 10.8 5.5 7.0
L								

RUBBER Sales ('000 Kgs) 14,625 14,979 - Net of duty price (M\$) 2.18 1.85 COCOA - Sales ('000 Kgs) 127 - FOB price (M\$) The results for the period include those of Consolidated Plantations Limited for the six months to 31st December, 1979 and its liquidated subsidiary companies to the dates of their liquidation. They are comparable to the Consolidated Plantations Limited Group previous period's results which are Consolidated Plantations Berhad commenced trading on 1st January, 1980. By Order of The Board



# Mooloya in move to restore liquidity

A MOVE was announced yester-day to help restore the liquidity

BOARD MEETINGS Mooloya Investments, owner the Customagic stretch cover business whose shares were sus-pended last December after a delay in the accounts.

At the same time the company, warns that the accounts for the 16 months to October 31, 1978 will be heavily qualified. Conditional agreements have been signed between Customagic Manufacturing and Customagic Europe which extend Customagic Europe's trade mark licence worldwide and limits Customagic Europe's liability to further royalties to £0.7m.

This is payable as to £0.3m when the conditions are fulfilled and £0.4m over a period estimated to be two and a half years but which cannot exceed four

The agreements do not pro-vide for Customagic Europe's purchase of trade mark regis-The directors of Mooloya are making every effort to reach

midna

TODAY FUTURE DATES

## Westland chief quizzed on the UK electrical group, for France's Located TV rental company, appears to have run into a further road block mounted helicopter board changes

SHAREHOLDERS Westland Aircraft, at yesterday's amual meeting about major Board changes at Westland

also chief executive of Westland

Aircraft. Lord Aldington said: "I do not believe we should go hunting for incorrect explanations (of the change-over) as this could lead to fears of industrial upset in

the company." However, Ashdown, a shareholder and the Liberal Parliamentary candidate for Yeovil—the Westland base the last election, said he thought the change-over was linked to differences over pay-

committed to achieving greater employee participation in the management of Westland Helicopters than the new manag-ing director.

However, Mr. Blackwell has recently appointed Mr. Michael Webber, the former electricians convener at the Yoevil works, to be his personal adviser on

Lord Aldington told share-make no conversion offer in holders that participation could respect of holdings of 9½ per cent be examined very thoroughly Treasury Stock 1980. This stock

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on less year's timetable.

Uniteyer NV .....

making every effort to reach agreement with the trustees of the loan stock and their advisers.

The company also discloses its (f0.16m loss) after exceptional expenditure of £93,100 (£24,819).

The loss per £1 share is 51.63p (14.09p).

questioned high as he would like for partici-Lord Aldington, chairman of pation to be examined now,

Earlier this week Mr. John Speechley was replaced as managing director of the helicopter company by Mr. Basil Blackwell, the chairman who is

bargaining procedures and employee participation. It is understood that Mr. Speechley may have been more

#### Westwood Dawes recovers to £122,000

Continuing the progress made at halfway, Westwood Dawes and Co., structural and mechanical handling engineers, reports a turnround from a loss of £23,453 to a pre-tax profit of £121,814 for 1979.

At the interim stage the re-covery was from a deficit of £7,186 to a surplus of £65,183. The directors said then that the order intake for the last three months had been less satisfactory and it was not possible to state that full-year results would be commensurate with those being

Yearly earnings per 25p share are 4.48p (0.78p loss) and the final dividend is 1.5p net for a 2.5p (nil) total.

Turnover showed an advance of some £0.49m at £2.21m, and this time there was a tax charge of £65,343, compared with a credit of £13,880.

TREASURY STOCK The Bank of England over the next one or two years. will be redeemed at par on May But be said profits were not as 14, 1980.

#### INVESTMENT TRUSTS Capital & Nătional higher

Gross income of Capital and National Trust advanced from £648,486 to £914,888 in the halfyear to January 31, 1979, including some £129,000 relating to special payments from Shell and Unilever.

Net income came through higher at £571,507, against £372,768, after tax of £290,997 (£228,682). In the last full year, net income reached £781,476 An unchanged net interim divi-dend of 1:75p has already been

#### ANGLO-INTNL. INVESTMENT

Earnings of Anglo-International Investment Trust increased from £345,380 to £481,217 for 1979, before tax of £156,386 against

A final dividend of 3p (2.6p) raises the total from 3.6p to 4.5p net per 25p share. Payments absorb £270,000 (£216,000) and £54,381 (£5,918) was transferred to contingency reserve.

At the year-end, net assets are shown down from 224.09p to 209.33p per 25p asset share.

#### RESOURCES

Petroleum, Shell and Oil Exploration, the revenue account of Viking Resources share. This amount is to be distributed as a special non-recurring interim dividend, pay-able April 8.

#### **UPDOWN**

Net income of Updown Investment Company increased from £62,400 to £87,062 in 1979 after all charges including tax of £44,577 against £50,218.

Trust has benefited by 1.32p per

1.3p to 1.75p. Net asset value per 25p share at December 31; 1979, was 77p (64p).

## VIKING

As a result of special divi-ends declared by British

The dividend is raised from Gross revenue improved from £158,859 to £160,902.

# against Blue Circle offer recently recovered from the Surplus production capacity that built up in 1973-74. Armitage should be able to maintain, if not Middle East and has discussed

Armitage Shanks, reaffirmed last night that it would not accept Blue Circle's offer of over £30m for Armitage. The announcement came as Blue Circle was counting acceptances on the offer. Ceramics has a key shareholding of over 25

Blue Circle is expected to make a statement this morning. Ceramics said last night it will not sell its stake on Blue Circle's current terms. It added that, in building up its stake in Armitage, two factors were involved. First, and most important, it believed the stock market had undervalued Armitage's earnings. The sanitaryware industry has

improve, its profit margin and turnover in real terms.

Ceramics still holding out

Also, Armitage still has untapped potential "in its tremendous grand name" and in the opportunities for further diversification in the home improvement market.

Ceramics said that Blue Circle recognises the potential although Ceramics did not believe the offer compensated for this. Ceramics regrets that Blue Circle's offer document did not include estimates for Armitage's profits to March 1980 and Blue Circle's profits to December 1979.

Middle East and has discussed with Armitage the opportunities for mutual marketing and production in that

**BIDS AND DEALS** 

It was pleased Blue Circle had offered to continue the discussions on the co-operation in the Middle East and to extend them to other areas such as cement and shipping.

● The resolution to reorganise the capital of Armitage Shanks Group in connection with the offers from Blue Circle Industries was passed unanimously at yesterday's extraordinary general

# Further effort to block Thorn's move into French TV rentals

BY TERRY DODSWORTH IN PARIS

by the French authorities.

Two of France's large electrical equipment manufacturing companies, CGE and Thomson, are believed to have been per-suaded by the Government to examine the prospect of a counter-bid for Locatel.

This new move in the Locatel affair follows the reference of the bid to the French Monopolies Commission shortly after the FFr 240m (£25.5m) offer, was made last June. This step by the Economics Ministry was widely regarded as an obstructive move to hold up the British bid, since Locatel is still only a small company and Thorn

implement

recommendations. The search for a French solution to the Locatel case seems Locatel, which had a turnover to be partly based on fears that of FFr 241m (£15,000 sets on foreign television sets particularly Japanese, into France. Because of Thomson's dominant cent. position in French TV set manu-facturing, it was first contacted the Elf Oil Group, which has consider a counterbid but almost 14 per cent.

THE seven-month-old bid by not yet established in the found the price too high.

Thorn, the UK electrical group, French TV rental market.

The CIT Alcatel Division of the company, appears to have run Monopolies Commission inquiry talks, partly because it has done have not been made public, it is joint deals before with Thombelieved that the findings were son, and partly because of its in favour of letting the bid go interests in information systems through. The dossier has been handed over to the Economics Ministry, which decides on the Ministry, which decides on the action to be taken on Monopolies ment yesterday, it is believed that a decision must some some Commission references, but no that a decision must come soon, been made to because of the long delay which the Commission's has already occurred on the because of the long delay which Thorn bid.

The main The other main share-

Wattens for the year ended December 31, 1979 are not yet

In the year to December, 1978,

the investments being sold is £12.8m, comprising the original purchase price of £2.5m and

Bunzl and Biach returned to

profit in the first six months of

that the Austrian Government will grant them an interest sub-

sidy in respect of the borrowings used to finance the transaction.

ibsequent investments

available, BPP has been

# **Bunzl sells Austrian holding**

BY ALAN FRIEDMAN

BUNZL PULP AND PAPER, has agreed to sell its 99.79 per cent holding in Bunzl & Blach, Vienna and a 25 per cent stake in Molnar & Greiner, a wholly owned subsidiary of BPP, to two Austrian companies. The Austrian groups are Papierfabrik Laakirchen and Papierfabrik Laakirchen Ein- und Verkaufs.

The agreed sale values the two holdings at ASch 317.5m (£11.48m). It is to be adjusted by the amount by which the formed that approximately ASch basic consideration for the pretwinusly agreed sale of the this provision. This would raise
Wattens Fine Paper Mill the total consideration to
exceeds or falls short of ASch 221.5m (F11.63m). ASch 30m. Although the accounts for Bunzl and Biach showed a loss of £289,000 when BPP made a

## Edwards merger combines | Description | El2.8m. At that time the book value of the net assets of the Austrian subsidiary were stated as £15.7m. The historical cost to BPP of Mr. Gulliver's interests

THE FOOD interests of Mr. James Gulliver are to be combined by Louis C. Edwards (Manchester) making an offer for the ordinary capital of Morgan Edwards on terms which place a value of £4.6m on the

Shareholders with over 51 per cent of the capital have already undertaken to accept the offer. These acceptances are represented by Gulliver Foods with 29.9 per cent and certain direc-tors of Morgan and their families who hold 21.2 per cent.

The terms are yesterday's price of 66p (down capital expenditure required to 2p) and 100p for the preference maintain performance wouldu be shares, the offer values each too high. Morgan share at 137.6p compared with a closing price of the approval of BPP shareholders 138p (up 15p). As an alternative at an extraordinary general meetfor the remaining Morgan ing, the consent of the Super-holders there is a cash offer of visory Board of Laakirchen, the

County Bank.

#### ordinary shares and 32 LCE 8 per cent convertible preference shares, for every 100 Morgan 1979, but BPP decided that the ordinary shares. Taking LCE at costs of rationalisation and

120p per share. LCE has been advised by Samuel Montagu and Morgan by

# Marshall's Universal buys

AGREEMENT HAS been reached for Marshall's Universal to buy the Graphic and Display Products together with four

subsidiaries.

The consideration is £1.3m comprising £1.2m cash and £100,000 by the issue of \$3,283 Marshall's ordinary shares. A further amount of up to £500,000 may be paid in cash depending on the level of profits earned in the year to April 30, 1981.

Main activities of the Graphic and Display group are the distribution of self-adhesive paper and associated products and paper the advertising and display trades.

Net assets as at April 30, 1979, amounted to £809,471 and profit for that year after all charges except tax and excluding extraordinary items was £234,978.

Management accounts show profits for the six months to October 31 of £202,088.

Mr. J. Fletcher and Mr. F. Lane, joint managing directors of Graphic and Display will be joining the Marshall's Universal board.

distributes machinery and allied products to the printing side of the advertising and display trades. Net assets as at April 30, 1979, amounted to £809,471 and profit

# Graphic & Display group

Chairman Mr. Christopher Hatton reports on the year ended 28th September 1979.

Record turnover and profit. Reduction in borrowings.

- Turnover £162M (£131M)
- Pre-tax profit £16.1M (£11.5M)
  - Good performance by all divisions.
  - Full year contribution from Shipstones of Nottingham.
    - Greatly improved cash position. £5M loan repaid.
      - Gain in market share by Group beers. Cautious optimism about the future.

Copies of the report and accounts are available from the Company Secretary. Wilderspool Brewery, Warrington WA4 6RH. Telephone: Warrington 51234



# directors reject offer

Royco, the property development concern, have urged shareholders to reject a bid which values the company at £10m from Mr. Roy Strudwick, the group's former chairman and largest share-holder.

Mr. Strudwick, who is still a director of Royco, is making his 50p per share cash offer through Bonnerpark. a company controlled by him.

The independent directors say that the profit for Royco for the year ending December 31, 1979, is estimated to be approximately £5.2m compared with some £2.8m in the previous year.

The marked improvement in profit for 1979 reflects the significant increases in property values that occurred during 1978 and 1979 combined with an increase in the number of comnercial properties sold during the year.

The independent directors say that trading results should continue to benefit from the increases in property values. A satisfactory start has been made in the current year.

Net assets after tax, but before allowing for the final dividend, are currently estimated amount to 49p per share. Shareholders are reminded that provisions amounting to £7.3m (equivalent to 36p per share) have been made in estimating net assets per share to allow for all taxation that could arise on present trading profits and the arising from revaluation

Of the amount £5.6m (2Sp per share) is deferred tax or taxa-tion which will not be payable before the latter part of 1981 at the earliest. There are no borrowings and cash balances at present amount to £3.7m.

On the basis of the estimated profit for 1979 the independent directors would expect to recom mend a final dividend of 2.0p per share, which together with the interim dividend paid in December 1979, would provide a total for the year of 3.5p per

As Bonnerpark already owns more than half of Royco's shares. consideration has been given to the position of members as minority shareholders.

Bonnerpark has stated that it will endeavour to maintain the listing of the shares and that it intends to continue and develop the business of Royco, subject only to a future dividend policy which may be influenced by the necessity to receive dividends in order to repay borrowings.

In these circumstances the independent directors do not believe that the effective increase from approximately 37 per cent to just over 50 per cent in Mr. Strudwick's holding will adversely affect the position of

But the independent directors regard the offer as inadequate being only equivalent to the fully taxed net asset value. The The sale is conditional upon does not include any pre-im reflecting either the mium reflecting either the strength of the balance sheet or the potential for future profitability. consent of the Austrian Mational Bank and written notification

The only independent director, Mr. R. M. Clarke, who holds shares—500 in all—will not be accepting the offer.

# **Amcoal profits rise 24%**

BY KENNETH MARSTON, MINING EDITOR

SOUTH AFRICA'S Anglo yet. It is, for example, still developing two new collieries at a cost of some R210m to meet a rise in earnings for 1979 following the 11.4 per cent increase of coal to the new South African achieved in the previous year. The latest net profit has advanced by 24.3 per cent to R65.5m (£35.4m) from R52.7m.

The 1979 varyings expert 279 The 1979 earnings equal 279 cents (151p) per share and they are accompanied by an increased final dividend of 60 cents. This brings the 1979 total to 90 cents

against 72 cents. 1978 Turnover
Profits before tax
Normal S.A. tax
Equalisation tax
Profit after tax
Outside bolders
Attributable
Earngs per shre (cents)
Div per share (cents) comment Amcoal with its vast coal the first 20 days of this month reserves which could amount to reached \$115m. The total value over 9bn tonnes is still in the production expansion phase from \$1.3bn in 1978 and showed

or coal to the new South African power stations while preparing to increase this deal. The group's planned production for 1979 was over 30m tonnes and an eventual annual output of over 100m tonnes is considered a real possibility. The present key to rising earnings, however, is the prospect of increased export sales as a result of the expected further expansion in capacity of the Richards Bay export route. At £11 the shares yield a modest 4.4 per cent on the latest dividend total. ROUND-UP Exports of diamonds from Israel in January recovered sharply to a record value of \$154.5m (£67.5m) while sales in

# over 9bn tonnes is still in the of exports in 1979 fell to \$1.2bn production expansion phase from \$1.3bn in 1978 and showed which has a long while to run a sharper fall in terms of carats. Steady output from SA gold mines

SOUTH AFRICAN gold production held steady last month, the Chamber of Mines revealed yesterday, providing early testimony for the view advanced early this year by senior mining executives that South African production will remain little changed for most of this decade. Output from all the Republic's gold mines reached 1.808,131 ounces in January, compared with a restated 1,802,284 ounces last December and 1,831,191 ounces in January, 1979.

The production remains firmly within the monthly range of 1,55m 1,95m ounces achieved by

1.75m-1.96m ounces achieved by

after a 25 per cent drop in output since 1972. The mines are not being stimulated by the higher prices of recent months to produce more gold—rather they are obliged by their leases to mine the lower grade ores which have been made economic by the higher prices.

The Chamber of Mines-admittedly using conservative market price estimates and taking into account only existing mines and those known to be opening up—has calculated that gold production will remain the South African industry over roughly at present levels until the last two years. This relatively narrow range indicates a off to 350 tonnes a year, half degree of production stability present annual output rates.

figures for the 15 months and

previous years is difficult.

Though Utico has changed its

year end to coincide with that of

the British parent, the company's

Rhodesian subsidiaries continue with a September year-end.

is cautions on prospects for the current year. While uncertainty surrounds Rhodesia's future, the

chairman hesitates to make firm

projections of this year's likely group performance. He further

cautions that whole inflation con-

tiques to run at current levels.

the group will need large earn-

ings retentions to fund necessary

Mr. Enrique Rankin, chairman.

## Gripperrods ahead to £0.56m

TURNOVER of Gripperrods Holdings, maker of carpet laying fittings, advanced from £5,84m to £6.97m for the half year to October 31, 1979, and pre-tax profits moved ahead to compared

£475,132. Earnings per 10p share are stated up by 1.77p to 10.7p and the interim dividend is lifted to 2.25p (1.815p) gross—last year's total payment on record profits of £1.11m.

Tax for the half year took
£290.027 against £251.869 and net profits improved by £44,455 to £267,718.

#### Utico returns to dividends

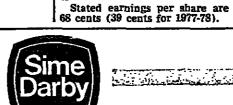
Utico Holdings, the South African tobacco and snack foods group which is 73 per cent owned by BAT Industries, has returned to the dividend lists after an absence of two years. The pay-ment is 17 cents.

Pre-tax earnings for the 15 months to December 31, 1979, were R9.4m on turnover of R105.9m. In the previous year to September 30, 1979, the pre-tax figure was R5.7m from turnover of R71.5m.

Greenall Whitley

Comparison

The first three months trade in the current year at Greenan Whitley and Co. produced modest increases in beer sales. but so far sales in the current quarter had been disappointing, Mr. C. J. B. Hatton, the chairman, said at the annual meeting.
Growth on the wines and spirits side had continued, but the chairman added that the group was concerned about pos-sible duty rate increases in the forthcoming Budget.



Sime Darby Group

# FOR THE SIX MONTHS ENDED SIST DECEMBER, 1979

		Siv ma	enths to	
Six months to	)		ecember	
31st December	r			
1979 .		1979	1978	- %
£ Million	:	M\$ Million	M\$ Million	Increas
28.6	PROFIT BEFORE TAXATION	135.2	111.3	22
16.2	PROFIT AFTER TAXATION	76.6	60.4	27
10.8	EARNINGS	50.9	36.9	38
pence		cents	cents	
1.27	DIVIDENDS — GROSS	6.00	5.02	20
2,58	EARNINGS PER SHARE	12.18	9.34	30

Copies of the full leterim Report to be sent to shareholders on 26th February may be obtained on request from The Secretary, Sime Darby Berhad, Wisma MISC, Jalan

#### NORTH AMERICAN NEWS

#### Income increase at CNA **Financial**

By Our New York Staff

CHICAGO-BASED CNA Financial, one of the largest insurance groups in the U.S., reported a sharp sethack in underwriting in 1979, although there was an overall improvement in results for the year. Operational

perational net rose \$179.30m or \$4.70 a share from \$142.20m or \$3.64 in 1978, on revenue which increased from \$2.35bn to \$2.07bn. CNA's fourth quarter net increased from \$41.67m or \$1.09 a share to \$55.36m or \$1.48 on revenue which rose from \$521m

Despite the property-casualty insurance underwriting loss narrowing from \$8.3m to \$5.9m in the fourth quarter of 1979 the underwriting loss for the year widened to \$55.8m from \$13.9m

Higher investment income boosted property-casualty pretax operating net to \$44.4m in the fourth quarter from \$35.7m a year earlier, but over the year the pre-tax operating slipped from \$136.1m \$131.0m,

Life insurance pre-tax operating net fell to \$8.3m in the fourth quarter from \$17.2m in the final quarter of 1978 and consumer finance pre-tax net dropped to \$2.5m from \$3.9m.

#### Steel agreement

Nippon Kokan KK (NKK) has reached a basic agreement to supply Bethelehem Steel with continuous annealing tech-nology, reports Reuter from Tokyo. Nippon Kokan declined to comment but said that it and Nippon Steel are negotiating technology sales separately with steelmakers, including Bethlehem Steel, Republic Steel

# Strike hits first quarter at International Harvester

BY STEWART FLEMING IN NEW YORK

turing company, has suffered a union is resisting the change. \$222.2m loss in its first fiscal The union was expected quarter ended January 31, as a result of a three-month-old all its U.S. plants.

United Auto Workers have been out since November, in a disunion contract. Inter- an overflow crowd. national Harvester has been seeking to bring the terms of

INTERNATIONAL HARVES time provisions in order to give period a year ago. First quarter TER, the Chicago-based farm the company more control on sales fell to \$1bn from \$1.61bn equipment and truck manufac- overtime working. But the a year ago.

The union was expected to press its case in public yesterday at International Harvester's strike which has closed virtually annual meeting in Chicago. The company, which had first Some 35,000 members of the resisted the union's moves to provide extra accommodation for shareholders at the meeting, pute over overtime provisions in subsequently agreed to plan for

The \$222m loss in the first quarter was close to the comthe contract into line with pany's mid-January estimate of and the company may meet those covering its competitors \$225m which compared with a today for the first time since by removing voluntary over- profit of \$58.8m in the same

The company was able to maintain deliveries and to some extent offset the impact of the strike by careful balancing of inventories with he co-operation of dealers.

Mr. Archie R. McCardell, the chairman, said that the outlook for the remainder of the year depends primarily on the settlement of the strike. The union before Christmas.

## Setback at Coca-Cola Bottling

Bottling of New York the largest franchised bottler of Coca-Cola, attributed a decline in profits from continuing operations primarily to a substantial operating loss at its wholly perwo Jeannette Corporation subsidiary, which manufacturers glass, ceramic

and other housewares. Earlier, Coca-Cola Bottling policy to reported that income from continuing operations fell to sense over the long term, \$11.6m in 1979 from \$15.7m a particularly in view of the year ago. Net earnings for the year were \$8.3m against \$14.2m in 1978.

division and an increase in interest expenses also contributed to the decline, although record earnings from the soft drink and leisure products division helped offset these factors.

The company said that yearend inventories of Jeannette and of the wine division were

HACKENSACK — Coca-Cola of lower levels of operation.
ortling of New York the Despite the disappointing 1979 earnings, declaration of the regular quarterly dividend of 11 cents a share was an indication of confidence in the underlying strength of the

company. However. management have undertaken an extensive review of dividend determine what payout rate makes the most

record high cost of money.

Various options will examined, including a possible Lower results in the wine reduction in the payout rate to 30 to 35 per cent of previous years' earnings from con-tinuing operations.

In 1980, it is expected shareholders also will receive a special dividend of shares in its riverboat companies as a result of a contemplated spin off of those units.

The company's existing insurconservatively valued, because ance company lenders have sory notes.

\$23.5m of prime rate related bank borrowings, with the balance applied to borrowings from insurance companies. This financing, when completed in April, 1980, will favourably affect 1980 financing costs. At December 31 last year the company had outstanding about \$98m in long-term debt.

The company also said that the directors had approved a management proposal for a commitment of about \$20m in capital funds to the soft-drink division in 1980.

continuing operations to be unfavourable in the first half of second half.

agreed to purchase \$43.5m 20year 9.68 per cent senior promis-

Proceeds will be used to renav

The Board expects year-toyear earnings comparison from

1980, but to improve in the It expects full-year 1980 earnto recover from 1979 levels, but said it was unlikely they will return to 1978 levels.

#### Full-year earnings advance for ABC

AMERICAN Broadcasting

(ABC), operator of one of the three national television networks, pushed operating earnings ahead by 25 per cent in 1979 to \$159.3m, or from \$4.60 a share to \$5.67. Sales added 15 per cent to \$2.05bn. In 1978, earnings from discontinued operations lifted the total net to \$135.6m or

Mr. Leonard H. Goldensen the chairman described the results as "excellent," and attributed them primarily tothe "outstanding performance of our television operations and a substantial reduction in operating losses resulting from the disposition of the recorded music operations."

In the final quarter, ABC turned in operating profits of \$44.9m or \$1.59 a share, a gain of 11 per cent. Disposal of the group's theatre division lifted the 1978 total to \$45.5m. At \$631.5m, sales put on 20 per cent.

Net income benefited in 1979 from increased interest income and a lower effective tax rate, said Mr. Goldensen. "As we look ahead to 1980 the market place for broadcast advertising remains robust, despite the uncertain economis climate," he said. "However, the heightened network competition and the extraordinary costs of news coverage of the crises in the Persian Gulf and the election year could moderate profit growth in 1980.

"In addition, our three new ventures, ABC Video Enterprises, ABC Motion Pictures and Travel Network Corporation are not expected to be-come profit contributors this

# Currency losses and sales drop hurt Firestone Tire

BY OUR FINANCIAL STAFF

the second largest tyre producer in the U.S. said, in reporting a loss of \$13.8m or 24 cents a share for its first fiscal quarter, that it had incurred foreign currency losses of \$16.6m, in the

It also reported lower sales. which it blamed on a sharp drop in sales in the U.S. In the same quarter last year

Firestone made a profit of \$34.8m or 60 cents a share. In 1979, Firestone turned a substantial loss into a profit of \$1.35 a share and was expected

Firestone said that most of the exchange loss resulted from inventory effects of a substantial currency devaluation in Brazil

"All the company's industry segments posted declines in operating profit from a year ago, with the biggest drop taking place in tyres and related products," said Firestone.

Some were also hurt by the slump in car production.

FIRESTONE TIRE and Rubber to turn in a similar profit for Firestone said the second largest tyre producer 1980. driving, overcapacity in the tyre industry and stiff competition had also cut domestic profits. In addition, lower factory operating rates had increased unit costs. Higher raw material and

operating costs could not be passed along in price increases because of the competition. Firestone expects continuing difficulties in the tyre industry until domestic car sales recover non-tyre operations and energy and other problems

affecting the economy begin to

be resolved.

#### **EUROBONDS**

# Trading mixed in dollar sector

tled down to a much quieter day yesterday following the hectic trading conditions witnessed on Wednesday. The level of activity was described by most dealers as low with straight dollar bond prices finishing mixed on the day.

ishing mixed on the day. Some bond houses said they had seen some selling, others that some retail buyers had appeared during the morning when bond prices weakened be-

fore picking up later in the day. Floating Rate Note issues were firmer yesterday as many dealers said they felt that the price falls posted on Wednesday had been overdone. The \$75m ten-year FRN for Stan-dard and Chartered Finance BV which includes a minimum coupon of 51 per cent and is managed by Schroder Wagg was quoted at 987-991 in the first day of its trading in the secondary market. Such a discount is not greater than the selling group discount of 11 per

cent offered to most investors.

Centers which carries a coupon of 81 per cent has Merrill Lynch International as its sole lead manager. Worst hit yesterday

foreign Deutsche Mark bond prices. Older issues fell by as much as two points: for instance the Finland 6 per cent bond to 83 closed at 90 yesterday, two points down on its price at the close on Wednes-day. A number of more recent issues were also badly hit: the per cent Barclays bond to 89 fell 18 points to close at 87. Even issues which have just been completed such as the 81 per cent Australia bond to 1990 shed 1 a point yesterday to close at 981.

The domestic Deutsche Mark bond market was weak yester-day but the Bundesbank had to buy far fewer bonds—no more than DM6.8m worth—than on Wednesday to support the market.

dealers expected German prices of foreign Deutsche Mark bonds, which fell on The \$12m 15-year convertible average by a full point yester-

FT INTERNATIONAL BOND SERVICE

THE EUROBOND markets set for Community Psychiatric day, to continue weakening today as money market rates are expected to continue rising. Yields offered on foreign Deutsche Mark bonds average 81-9 per cent at present, while six-month deposit rates yield between 8.80 and 9.10 per cent.

Swiss franc bonds weakened yesterday for the third day running, with average price falls on foreign bonds of around & per cent.

 Spanish national railways (RENFE) has signed a contract to float yen-denominated bonds worth Y16bn in Tokyo

Nikkon Securities said the 10-year bonds will carry a coupon rate of 8.3 per cent and will be offered at an issue price

of 99.25 per cent.
The bonds will be redeemable in annual instalments of Y1.6bn on March 1 in each of the years between 1986 and 1989. The final instalment of Y9.6bn will be made on March 1, 1998. This is the second time that RENFE has floated bonds in Japan. In April, 1978, it made

a Y16ba bond issue.

# INTERNATIONAL FUND N.V.

REGISTERED OFFICE: SCHOTTEGATWEG OOST, SALINJA, CURAÇAO, **NETHERLANDS ANTILLES** 

#### **Notice of Annual General Meeting of Shareholders**

Please take notice that the Annual General Meeting of Shareholders of Fidelity International Fund N.V. (the "Corporation") will take place at 2:00 P.M. at Schottegatweg Oost, Salinia, Curacao Netherlands Antilles, on March 20, 1980.

The following matters are on the agenda for this

1. Report of the Management. 2. Election of seven Managing Directors. The Chairman of the Management proposes the re-election of the following seven existing

Edward C. Johnson 3d Risashi Kurokawa William L. Byrnes John M. S. Patton Lord James Crichton-Stuart

Charles A. Fraser 3. Approval of the Balance Sheet and Profit and Loss

Statement for fiscal year ended November 30, 1979

4. Ratification of actions taken by the Managing Directors since the last Annual General Meeting of Shareholders, including payment on February 22, 1980 of the interim dividend of \$0.20 per share declared by the Managing Directors to shareholders

5. Ratification of actions taken by the Investment Manager since the last Annual General Meeting of

amend Article 4 of the Corporation's Articles of Incorporation to decrease the Corporation's The authorized capital of the Corporation is Two

> Bank Julius Baer International Limited 3 Lombard Street

ondon EC3V9ER, England

million (2,000,000) shares with a par value of One Dollar (U.S. \$1.00) per share, numbered 1 through 2,000,000, inclusively, of which in excess of six hundred thousand (600,000) shares have been heretofore subscribed for and have been fully paid Such other business as may properly come before

of the United States of America, divided into two

Holders of registered shares may vote by proxy by

mailing a form of proxy obtained from the Corporation's Principal Office in Pembroke Bermuda, or from the Banks listed below, to the Corporation at the following address: Fidelity international Fund N.V. c/o Maduro & Cariel's Trust Company N.V. P.O. Box 305

Holders of bearer shares may vote by proxy by mailing a form of proxy and certificate of deposit for their shares obtained and filed in the manner holders of bearer shares wishing to exercise their rights personally at the Meeting may deposit their shares, or a certificate of deposit therefor with the Corporation at Schottegatweg Oost, Salinja, Curação, Netherlands Antilles, against receipt therefor, which receipt will entitle said bearer

All proxies (and certificates of deposit issued to bearer shareholders) must be received by the Corporation not later than 9:00 A.M. on March 20, 1980, in order to be used at the Meeting.

> By order of the Managemen Charles T. M. Collis

The Bank of Bermuda Limited

43. Boulevard Royal

This announcement appears as a matter of record only.

#### THE LONG-TERM CREDIT BANK OF JAPAN, LIMITED

U.S. \$20,000,000

Negotiable Floating Rate Certificates of Deposit U.S.\$10,000,000 due February 1983 U.S.\$10,000,000 due February 1985

Nippon European Bank S.A.

Bank Brussel Lambert N.V.

**Crédit Lyonnais** 

Kredietbank International Group

Nippon European Bank S.A.

February 1990

#### AMERICAN QUARTERLIES

AMERICAN NATURAL RES.	SCOTT FORESMAN		IT BOMD STITLIOF
1979 1978	1980 1978		
Fourth quarter \$ \$	Third quarter \$ \$		
Revenue	Revenue 42.8m 38.9m	Who list shows the 200 letest international by	and issues for which an adequate secondary market
Net profits 60.97m 21.84m	Net profits 10.256m 0.454m	I me that shows the 200 latest international of	s see the complete list of Eurobond prices published
Net per share 2.64 0.95	Nat per share 0.04	exists. For further details of these of other bonds	Closing prices on February 21
Revenue	Revenue	on the second Monday of each month.	CHOSING DIRES ON LEDITOR'S TY
Net profits	Net profits 34.2m 29.0m	U.S. DOLLAR Change on	1 Change on
Net per share 5.13 5.58	Not per share 2.94 2.51		OTHER STRAIGHTS Issued Bid Offer day week Yield
ARVIN INDUSTRIES	† †Losa.	STRAIGHTS Issued Bid Offer day week Yield	Aven Fin. 104 86 CS 25 207 314 - 04 - 04 15.06
		Alcoe of Australia 10 89 60 78 7812 -012 -372 14.35	Bell Canada 104, 88 C\$ 60 851, 86 0 -21, 14.17
Fourth quarter \$ 5.	SHERWIN-WILLIAMS	Alex Howden XW 912 91 30 173 75 0 +014 14.24 Acuitaine Can. 114 85 30 18812 89 -114 -312 14.60	Cr. Fancier 103 84 CS 30 863 874 +03 -03 14.49
1979 1978 Revenue	1979 1978		Ex. Dev. Con. 10 84 CS 50 87- 88 6 -11-13.90 Fat. Can. Inv. 10 84 CS 50 87- 87- 87- +00- 14.03
Net profits 7.70m 7.00m	Fourth quarter S S	Australian Res. 94 84 30 84% 85% 0 -2% 14.33	Fat. Can. Inv. 10 84 C\$ 50 87% 87% +0% -0% 14.03 Hudson Bay 10% 88 C\$ 50 81% 82% -0% -3% 14.10
Net per share 0.99 0.89	Revenue 280.7m 273.1m	Avco O/S Cap. 104 87 40 74% 75% 04 67 16.28  Beneficial Fin. 94 87 100 78% 78% +- 04 44 14.50	Quebec 104 86 CS 50 804 82 0 -44 15.12
Year	Net profits	CECA Grad, Rate 12 85 100 89% 90% -1% -2% 14.37	R. Bk. Canada 10 86 C\$ 40 84° 85° -0° -3° 13.57
Revenue	Net per share 0.52 *1.28	CECA 113 90 50 84 86 +07 -44 14.57	R. Bk. Canada 10 94 CS 40 74% 74% -0% -4% 14.25
Net profits 20.42m 23.07m	Revenue 1,196m 1.132m	Canadian Pacific 94 89 50 754 764 -04 -5 14.62	Copenhagen 8's 91 EUA 20 97 98 0 0 9.10
Net per share 2.62 3.00	Net profits 18.028m 5.192m	LCarter Hawley 93, 86 50 78%, 79%, +0%, -4%, 15.03	M. Bk. Domk. 9 91 EUA 25 94, 96, 0 0 9.72
EDISON BROTHERS STORES	Net per share 3.21 0.76	Comalco Inv. E. 10's 91 40 78's 78's +0's -4 14.12	SOFTE 84, 89 EUA 40 865, 875, 0 0 10.52
1979 1978	* Loss	Continental Grp. 94 86 100 784 794 -14 -34 14.92	Algemene Bk. 81 84 Fl 76 93 931 -11 -25 10.14
Fourth quarter S S	SOUTHLAND CORPORATION	Dome Petroleum 10 94 50 683 691 0 -91 15.48  Dominion Bridge 104 84 30 86 883 +01 -01 14.73	Ned. Gasunie 81, 84 Fl 50 941, 947, -11, -21, 10.39 Ned. Middbk, 81, 84 Fl 75 931, 937, -01, -11, 10.21
Revenue	l ——————	Dominion Bridge 104 84 30 86 862 +04 -04 14.73 EIB 114 92	Ned. Middbk. 84, 84 Fl 75 931, 937, -01, -15 10.21 Norway 84, 84 Fl 100 927, 933, -01, -21, 10.40
Net profits 17.054m 21.077m	1979 1978	EIB 104 87 100 844 85 0 -24 14.00	Norway 84, 84 Fi 100 927, 533, -07, -2 10.16
Net per share 1.48 1.81	Fourth quarter \$ \$	EIB 10.15 99 100 173 75 +1 -45 14.61	Philips Lamps 84 84" FI 75 S41, 96 -02, -14 8.98
Year	Revenue	Ekportfin 114, 87 50 857, 864, -04, -44, 14.55	Air France 11 84 FFr 120 96 97 +04 -04 12.00
Revenue 793,4m 739.4m	Net per share 0.57 0.61	Export Dv. Cpn. 94 84 100 854 854 +04 -34 14 26	Euratom 94 87 FFr 150 85 86 +04 -04 72.91
Net profits 44.717m 45.992m	Year	Export Dv. Cpn. 94 84 150 854 857 +04 -34 14.22	Finland 11 84 FFr 80 95 96 -0'- 0 12.28
Net per share 3.87 3.95	Revenue 3,880m 3,090m	Finland 94, 89 100 781, 791, 0 -4 14.07	Finland 112 89 FFr 70 933 943 -02 -03 12.50
DI GIORGIO CORPORATION	Net profits 83.141m 57,097m	GTE Finança 94 89 55 762 764 - 05 - 35 14.48 GMAC 94 86 100 782 794 + 04 - 44 14.51	Gaz de France 11 84 FFr 150 945 955 -01 -21 12.39
1979 1978	Net per share 3.84 2.75	GMAC 9½ 86	18M France 11% 84 FFr 120 96% 97% 0 0 .12.78 Renault 9% 85 FFr 100 86% 87% 0 -0% 13.28
Fourth quarter \$ \$	UNITED ENERGY RESOURCES	Gould Int. Fin. 94 85 50 834 837 +04 -24 14.56	Saint-Gobain St. 86 FFr 130 85 86 -04 -04 13-29
Revenue 241.3m 248.3m		ITT Antilles 5 288 75 743 747 -27 -43 14.68	Splvav et Cie 93 87 FFr 125 821 834 -04 -04 13.66
Net profits 2.133m 1.757m	1979 1978 Fourth guarter S S	Kennecott Int. 91, 86 100 757, 761, -17, -37, 15.75	Total Oil 93 87 FFr 150 823 8312 - 074 - 072 13.21
Nat per share 0,31 0.30 Year	Revenue 957.80m 503.80m	Manitobe 9- 85 75 764 774 +01 -21 14.18	Citicorp O/S 131, 90 E 50 931, 937, -01, -14 14.75
Revenue 1.03bn 922.5m	Net profits 28,38m 16.95m	Michelin 10 94	EIB 114 91 £ 25 821, 831, +01, -24, 14.63
Net profits	Net per share 2.20 1.43	Nat. Des. Telecm. 91, 86 100 814, 824 + 05 - 31, 13.93 New Brunswick 94 94 75 715 724 - 04 - 31, 14.56	Finance for Ind. 13 91 £ 15 93½ 94½ -0½ -0½ 14.14 Fin. for Ind. 12½ 89 £ 30 87½ 88½ +0% -2% 14.82
Net per share 1.73 1.56	Year	Newfoundland 10 94 50 70 70 +0 -5 15.21	Fin. for Ind. 12 <sup>1</sup> / <sub>2</sub> 39 £ 30 87 <sup>1</sup> / <sub>2</sub> 88 <sup>1</sup> / <sub>2</sub> +10 <sup>1</sup> / <sub>4</sub> -2 <sup>1</sup> / <sub>4</sub> 14.82 Gen. Elec. Co. 12 <sup>1</sup> / <sub>2</sub> 89 £ 50 90 <sup>1</sup> / <sub>4</sub> 91 <sup>1</sup> / <sub>4</sub> 0 -11/ <sub>2</sub> 14.38
IOWA BEEF PROCESSORS	Revenue 3.13bn 1.99bn	Norges Komm. 97, 99 100 75 75-2 0 -2 13.95	Indonesia 83, 91 KD 7 199 931, 0 0 9.74
	Net profits	Norway 91, 84 150 854 867 - 01, -31, 14.16	Mitsubishi 7'- 84 KD 10 1961- 957- 0 0 8.71
1980 1979	Net per share 9.10 6.96	Nova Scotia Pwr. 94 89 50 75 75 - 0 - 14.81	Norges Kom. 74 89 KD 12 1931, 937, 0 C 8.52
Revenue	U.S. TOBACCO	Occidental Fin. 104 84 50 8512 86 0 -21 14.95	Occidental 8% 91 KD 7 190% 90% 0 0 9.55
Net profits	1979 1978	Orient Leasing 5½ 86 25 182 82½ 0 -2¼ 13.84 Pennwalt O/S F. 9½ 84 25 83½ 83½ -0½ -2½ 15.23	Akzo 94 87 LuxFr 500 944 954 -04 -04 10.28
Net per-share 1,33 1.16	Fourth quarter \$ 5	Pennwalt O/S F. 9½ 84 25 83½ 83½ - 0½ - 2½ 15.23 Pansico Cap. 9½ 84 100 85½ 86½ - 0½ - 2½ 14.07	Euratom 8 87 LuxFr 500 887, 887, 0 -07, 10.17
ROPER CORPORATION	Revenue 62.00m 52.00m	Quebec Hydro 10 99 75 663 674 0 -69 15.41	Eurotom 93, 88 LuxFr 500 993, 1004 0 +07, 9.75
	Net profits 9.20m 7.18m	Sears Rosbuck 9 82 150 80 9012 - 014 - 27 15.04	Volvo 93 87 LuxFr 500 983 993 0 +04 9.95
1980 1979	Net per share 1.03 0.81	Statoil 94 89 100 764 774 -04 -37 14.16	
Second quarter \$ \$	Year Revenue	Sweden 94 89 100 764 774 +04 -4 14.39	FLOATING RATE
Revenue	Net profits	Sweden 91 86 200 827 834 -01 -37 14.17	NOTES Spread Bid Offer C.dte C.cpn C.yld
Net per share 0.29 0.12	Net per share 3.60 3.15	Sweden 94 84 100 854 864 +04 -37 74.17 Unilever NV 94 87 100 77 774 -04 -44 14.42	Allied Irish Sk. 54, 87 64, 974, 984, 2/7 154, 15.45 Banco di Roma Int. 6 87 64, 98 994, 25/4 154, 15.87
Six months		Warner-Lambert 9 84 100 77 772 -03 -43 1442	Banko di Roma Int. 687 04, 88 994 26/4 154, 15-8/
Revenue 188.72m 168.19m	WHIRLPOOL CORPORATION		Bank of Tokyo 5- 89 10- 97- 97- 25/4 14.56 14.96
Net profits 1.85m 1.70m	1979 .1978	Average price changes On day0½ on week3%	Berciays O/S inv. 5 90 0 98 98 97 13/6 144 14.67
Net per share 0.35 0.31	Fourth quarter S S	DESCRIPTION Charles	Bergen Bk. A/S 6 89 ‡03, 957, 979, 29/2 14.31 14.74
ROYAL CROWN COMPANY	Revenue	DELITSCHE MARK Change on	Boue, Indo Suez 54 89 04 98 985 11/7 14.00 14.96
1979 1978	Net per share 0.71 0.47	STRAIGHTS. issued Bid Offer day week Yield	Citicorp O/S F. 6 94 #01 881 991 8/3 14.44 14.60
Year S S	Year	African Day, Bk. 8 87 100 196 961, -01, -11, 8.68	Citicorp C/S F. 83510 981 997 23/2 151 15.18

# Partrederiet Wilnora US\$ 27,175,000 iania Bank og Kreditka PKbanker

# ### S\$ 0 - 100 | 173 | 75 + 1 - 100 | 173 | 75 + 1 - 100 | 173 | 75 + 1 - 100 | 173 | 75 + 1 - 100 | 175 | 175 | 100 | 175 | 175 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1 African Dev. Bk. 8 87 ... 100 Asian Dev. Bk. 74 88 ... 700 Asian Dev. Bk. 74 88 ... 700 Barclays O'seas 62 89 100 BFCE 73 87 ... 100 BFCE 83 95 ... 100 BFZE 83 95 ... 100 BFZE 88 87 ... 150 CECA 7 91 ... 150 Council of Eur. 74 89 ... 100 Denmark 74 88 ... 100 Denmark 75 88 ... 100 Denmark 84 92 ... 100 EEC 72 94 ... 225 EIB 71 89 ... 200 Finland Rep. of 8 85 ... 150 Kobe, City of 73 89 ... 150 New Zealand 73 87 ... 200 Nippon Tel. 8 T. 51 87 ... 200 Norway 72 85 ... 250 Norway 74 84 ... 200 Norway 74 85 ... 250 OKB 6 87 ... 40 OKB 73 89 ... 100 World Bank 77 91 ... 400 World Bank 77 91 ... 250 Average price changes ... 0

\* No information available—previous day's price.
† Only one marker maker supplied a price. Straight Bonds: The yield is the yield to redemption of the

Straight Bonds: The yield is the yield to redemption of the mid-price: the emount issued is in millions of carrency units except for Yem bonds where it is in hillions. Change on week = Change over price a week seriler. Fleating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. dite = Deta next coupon becomes effective. Spread = Margin above six-month offered rate (\$ three-months \$ above meanrate) for U.S. dollars. Corn = The current coupon. C.yid = The current yield.

Conventible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cov. price Naminal amount of bond per share. expressed to currency of share at conversion, rate fixed at issue. Prem = Percentage premium of the current effective price of sequiring shares vie the bond over the most retail price of the shares.

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# **Profits for Air France** in oil price turbulence

THE IMPROVED health of Air almost 20 per cent in revenues France, the nationalised French to FFr 13bn. But this reflected France, the nationalised French airline which ran up losses of a little over FFr 1bn (\$250m) in price rises as much as the the three years up to 1976, was underlined last year by a steady

a year of consolidation, in which the company weathered the new surge in oil prices sufficiently well to produce a net profits in-crease of 6.4 per cent from FFr 235m to FFr 250m in its subsonic operations.

Announcing these results, M. Pierre Giraudet, chairman, emphasised that Air France had now achieved a new stability. It was in much better shape to ride any slump in world activity than it had been in 1974, he said, and had developed a fleet of Boeing 747s and European Airbuses which gave it operating costs as economic as any airline in the

This factor would be particularly important given the rise in fuel costs, which are expected to go up from 20 per cent to 25 per cent of the group's operating expenses this year. The most dramatic feature of the results was an increase of

Swiss group

newspaper

By John Wicks in Zurich

buys German

tion fall from some 500,000

to 230,000 and has been in difficulties for some years.

tariff increases caused by fuel number of extra passengers carried, which rose by only 6.8

The company's overall performance, in terms of profits and additional traffic, was not as spectacular as in 1978, when it bounced back from the post- and achieving a productivity increase of about 7 the company's overall performance, in terms of profits and additional traffic, was not as spectacular as in 1978, when it bounced back from the post- and achieving a productivity increase of about 7 the company's overall performance, in terms of profits and additional traffic, was not as up its seat occupancy rate from a chieving a productivity increase of about 7 the company's overall performance, in terms of profits and additional traffic, was not as up its seat occupancy rate from a chieving a productivity increase of about 7 the company's overall performance, in terms of profits and additional traffic, was not as up its seat occupancy rate from a chieving a per cent to 64.4 per cent. ears.

per kilometre. These figures
By contrast, 1979 proved to be would have been even better except for the French air traffic controllers' dispute, which hit Air France's business at the

end of last year.
Although Air France reckons
that 1980 will be a difficult year, it is sticking to an ambitious expansion programme. In the period to the end of 1983 it is aiming to expand its business by 30 per cent while creating some 3,500 new jobs. Last year its work force went up by 900, following a period in which it has been kept virtually steady at a little under 32,000.

per cent last year to FFr 1bn for its subsonic operations, Air France is aiming to finance a substantial part of its five-year state-funded capital.

now declining. These amounted to FFr 210m in 1978, but dropped to FFr 165m last year, and are expected to amount to only FFr 76m this year.

In 1979, the subsidies were shared between the cost of operating the Caravelle fleet which was forced upon the company by the Government (FFT 85m), and the expense of operating out of the two Paris airports at Orly and Roissy, another Government prescribed constraint (FFr 80m). Air France did not exercise its rights to demand subsidies on some of the unprofitable routes which it has been asked to operate, although this forms part of its contract with the

Concorde operations also attracted a heavy FFr 67m subsidy from the Government last year, with Air France bearing another FFr 29m of the super-sonic aircraft's operating losses. t a little under 32,000. In addition, the company had With cash flow rising by 35 to underwrite FFr 11m of pre-er cent last year to FFr 1bn viously incurred charges on Concorde.

Concorde (which exclude FFr 203m paid FFr 12bn investment plan from by the government for depreciatis own resources. But it will tion on the aircraft), mean that also have to rely on further the net profit of the group was borrowings and additions to its reduced to FFr 210m. This com-

## **GHH of Germany places** hope in energy crisis

BY OUR BONN STAFF

THE HAMBURG daily newspaper "Hamburger Morgen-post," which was to have ceased publication on Febengineering group, Gutehoff-nungshuette, is looking forward Certain to a strong result this year, ruary 29, is to continue in despite sharpening competition existence under Swiss conon overseas markets and the trol. The Basle publishing house Greif AG has acquired latest round of oil price rises.
Dr. Manfred Lennings, chief a 60 per cent stake in the newspaper. The remaining 40 per cent is to he held by the annual meeting yesterday that Democratic Party.

The paper, the biggest Social Democratic daily in the tion companies such as GHH. The need for more efficient energy-using machinery had country, has seen its circula-

EUROPE'S largest mechanical broad range of engineering

Certainly GHH's order books do not seem to have suffered unduly from cut-backs by costconscious customers. In the But United Technologies has first six months of the business executive of the West German year ending on June 30. New concern, suggested at the orders increased by 23.2 per annual meeting yesterday that cent to DM 7.2bn (\$4.16bn) and the energy crisis could work the foreign share of this has in favour of machine construc- stayed at a stable 44.3 per cent. were worth DM 16.1bn-a rise of 4.2 per cent over the first boosted investment levels six months of 1978-79—while among German companies and turnover has increased by 14.9 had increased demand for a per cent to DM 6.6bn.

#### VFW link with MBB faces difficulties

THE PLANNED merger between the West German aerospace companies Vereinigte Flugtechnische Werke (VFW) and Messerschmidt-Boelkow-Blohm (MBB) is being seriously complicated by VFW shareholders' scramble to secure a stake in the new joint

VFW announced last week that it is to split from its Dutch partner Fokker at the end of the month as the first step toward a merger with the large Bavarian-based air concern MBB. This move, encouraged by the Bonn Government, is intended to create a new independent aerospace industry in West Germany as a potential rival — or partner — of British Aerospace and Aerospatiale of

shareholders VFW's have already begun to flex their muscles, clearly anxious that their current shares should be significantly reflected in the composition of the new merged company. The Krupp group, for example—VFW's major private shareholder with 35.2 per cent—has been holding out for its own seat on the supervisory board of the new company, as well as 10 per cent of the shares.

Meanwhile, the city state of Bremen, through Hanseat-ische Industriebeteiligungen, has been considering whether it can feasibly mop up the remaining shares and thus ensure a voice in the planned VFW-MBB concern and guarantee employment to the Bremen workforce. With a 26.4 per cent holding, it seemed in a good position to make such a move. The other shareholders are United Technologies Corporation of the U.S., also with 26.4 per cent, and two members of the Heinkel family, with 9 and 3

per cent respectively. flawed these plans by announcing that it has no wish to sell out, and indeed is actively considering expanding its stake. It has first option to buy Krupp's shares — although a Krupp sale appears unlikely—and its ultimate aim would seem to be a foothold in MBB's lucrative European military

# Volvo outlines plans with Renault for second half of the eighties

36.600 last year.

this should see Renault take a

20 per cent stake in Volvo Car.

second part of the 1980s. Mr.

allocated between them.

VOLVO CAR CORPORATION achieved record turnover, unit sales and production in 1979. Turnover increased by 22 per cent on the 1978 level to SKr 12.5bn. (\$2.93bn). Volvo built 320,000 cars, up 23 per cent, and sold 302,000 a nine per cent rise.

The corporation entered 1979 with low stocks, and the excess of production over sales last year was to correct this. However, faced with the prospect of a downturn in worldwide demand for its blg cars, the 240/260 series, Volvo last we cut back production levels.

The current rate of output for the 240/260 series is 210,000 a year compared with 230,000 in 1979. Demand for the smaller cars, the 340 series, built in the former Daf plant in Holland, continues to improve, and output this year should rise to 95,000 against 90,000 in 1979.

Mr. Hakan Frisinger, president of the Corporation, said yesterday that sales in Volvo's

major markets had held up well in January, and the cut-back in production might prove too

But the company had little flexibility in Sweden, where lay-offs were difficult to



Hakan Frisinger

reduce output in good time to prevent stocks Volvo is expecting its car sales in Sweden this year to match the 54,500 for 1979. And there should be worthwhile

sales increases in the two major export markets, the U.S. and the UK.

In the U.S., where Volvos are seen as high-priced imports, the lay-offs were difficult to corporation for the past few implement, and it needed to years has been resisting any

temptation to grow fast and has Volvo's 240/260 series, around restricted sales increases to 8 to 250,000, was added to Renault's restricted sales increases to 8 to 10 per cent a year. This enabled in the same market sector, the combination was "the biggest of company to provide adequate back-up service and improve the dealer network in bining the 340 series Volvo. the U.S., which now numbers with a potential annual output 408. This year, sales in the U.S. of 100,000, to Renault's producshould reach a record 61,000, compared with 53,800 in 1979 tion of 350,000 similar cars, would create volume." " worthwhile In the UK, Volvo Car's thirdbiggest market and where it is But he stressed that, represented by the Lex Group although they might share

as importer, sales in 1980 are components, the Renault and expected to reach 40,000 against Volvo models would retain individual characteristics and Mr. Frisinger pointed out that look different. From the mid-Volvo was one of the few 1980s, Volvo Car and Renault vehicle manufacturers to show would share as many com-profits throughout the 1970s, ponents as possible in their Volvo Car emerged as a separate cars. "We will also share production using existing production facilities where this makes sense," said Mr. operating company in January this year to pave the way for the co-operative venture with

Renault of France. Eventually Frisinger. Dealing with the Volvo Car operations in Holland, where The results of the co-operathe 340 series plant has an tion will not show up until the annual capacity of 120,000 and Frisinger said the two com- losses. Mr. Frisinger insisted panies had compared future the company was "ahead of the product development plans and were in the process of deciding how responsibilities should be Pulling Volvo Holland round

was one of the toughest jobs "Later, we want to combine in the automotive world. But volume production," he added, we still have a fair chance of When the annual output of doing it," he said.

## Schering completes its fourth U.S. purchase

BY LESLIE COLITT IN BERLIN

SCHERING, the West Berlin- cuits, and is to be integrated based pharmaceutical group, has into Schering's electro-plating completed the take-over of the division. The Berlin company. American Chemcut Corpora which had group turnover of tion of Pennsylvania. DM 2.7bn (\$1.5bn) last year,

last year of some \$16m. inery to produce printed cir- cent.

The U.S. company, Schering's hopes to increase sales of fourth American acquisition, printed circuits in the U.S. cost \$11.6m and had a turnover Schering says that American companies have a world share Chemcut manufactures mach- in this product of about 50 per

#### Significant gains for Storebrand

gest insurance group, reports satisfactory, permitting a fur-premium income for 1979 of these exemptions of resources NKr 2.33bn (\$477.8m) 9 per cent up on a year earlier. A and providing a significantly preliminary statement describes larger profit than in 1978.

STOREBRAND, Norway's lar- overall results last year as ther strengthening of reserves

U.S. \$25,000,000 Floating Rate Notes Due 1984

#### Banco Latinoamericano de Exportaciones S.A.



In accordance with the provisions of the Notes, notice is hereby given that for the interest period from February 22, 1980 to August 22, 1980 the Notes will carry an interest rate of 16g% per annum. The interest payable on the relevant interest payment date, August 22, 1980, against Coupon No. 2 will be US\$82.78.

Merrill Lynch International Bank Limited Agent Bank

# National Bank of Ruwalt sak.

# Balance Sheet at 31st December 1979

·			<del></del>					
1978 Kuwaiti Dinacs	ASSETS	Kuwaiti Dinars	1978 Kuwaiti Dinars	LIABILITIES	Kuwaiti Dinas	1978 Kuwaiti Dinars	Profit and Loss Account for the year ended 31st December 1979	Kuwaiti Dina
82,172,660 125,294,290	Cash and Balances with Banks Money at Call and Short Notice with Banks	107,400,144 147,201,048 13,192,591	728,177,221 3,893,175	Demand, Time Deposits & Other Accounts including Contingencies Proposed Dividend	907,757,228 4,282,492	7,500,806 390,760	Profit after charging all expenses, making pro- visions for contingencies and writing down assets Balance brought forward from previous year	9,500,880 498,391
16,615,000 70,098,056 138,428,415	Bankers Negotiable Certificates of Deposit Quoted Investments Deposits with Banks	58,429,652 167,151,824 449,427,587	732,070,396	Total Liabilistes	912,039,720	7,891,566		9,999,271
323,905.334	Loans and Discounts  Unquoted Investments (of which IBRD Bonds	•	17,696,250	SHAREHOLDERS' EQUITY  Capital: Authorised and Issued 19,455,875 shares of  KD 1.000 each fully paid	19,465,875	2,750,000	Transferred to General Reserve 4.	950,000 000,000
22,564,781	KD 13,767,485 - 1978 KD 16,720,760)	19,572,136	23,692,800 20,864,700	Reserves: Starutery (including Share Premium Account KD 19,057,500 1978 - KD 19,057,500) General	24,642,800 24,864,700		Proposed dividend of 22 % (KD 0.220 per share) payable 2nd February 1980 4.	282,492 ——— 9,232,492
1 15,744,000	Land, Premises and Equipment Other Assets	19,404.891	498,391 62,752,141	Undistributed Profits	69,740,154		 Balance carried forward	KD 766,77
794,822,537	TOTAL ASSETS	981,779,874	794,822,537	TOTAL LIABILITIES and SHAREHOLDERS' EQUITY	981,779,874	456,351	DEBIND LEHEN ILIMOU	
241,932,847	Liability of Customers for Letters of Credit. Acceptances and Guarantees	329,927,066	241,932,847	Letters of Credit, Acceptances and Guarantees on behalf of Customers	329,927,066			
} <del></del>	•	UD 4 044 705 040	KD 1 036 755 384	/	KD 1,311,706,940	]		



The National Bank of Kuwait s.A.K.

Repco

changed at

midway

By James Forth in Sydney

REPCO, the major Australian

automotive products group,

achieved only steady earnings

in the half-year ended

cents a share to 4.5 cents. The

Pre-tax prefit

little

#### MAJOR OPPORTUNITY

BUSINESSES FOR SALE

to purchase a subsidiary of a well-known engineering group as the result of reorganisation. The company is an important supplier to the heavy machinery industry and has recently been substantially modernised. The site which has substantial development potential is located in Northern England. Turnover £6 million. Net assets £2 million. Now on course with budgeted pre-tax profits around £200,000. Price is for negotiation at a discount

> Write Box G.5402. Financial Times, 10 Cannon Street, EC4P 4BY

#### **ACTIVE NON-FERROUS FOUNDRY**

For sale or merger

This recently modernised foundry—handles brass, gun metal and aluminium—is conveniently situated in S. Yorkshire. Production facilities include repailiron castings and floor and shell mouldings. Excellent working reletionships. Machining shop on site. Premises available for lease or sale. Flexible terms.

Write MD. Box G5399, Financial Times. 10 Camion Street, EC4P 48Y.

#### **BUSINESS SEARCH UNIT**

For the discerning buyer who believes an additional six months and £4,000 in time and money is well spent in an endeavour to

DOUGLAS HOUSE, QUEENSBERRY ROAD, KETTERING, NORTHAMPTONSHIRE

Telephone Colin Joynson or Rosalinda Rivas 0536-85115

MONTRAL, CANADA—BUSINESS OPPORTUNITY
RETAIL LADIES WAS REALINESS SALE welve stores located in enclosed prime shopping centres in and around fontreal. Canada. In business 15 years, available for sale as a going oncern. Highly profitable. Of interest to those who are prepared to invest in the neighbourhood of U.S.S3,000,000 for 100% interest.

For further information apply to:
P. WOLKOVE, C. A. GOLDBERG, WOLKOVE & GOLFMAN,
Chartered Accountants
1255 PHILLIPS SQUARE, SUITE 904. MONTREAL H3B 3G6, CANADA.
TELEPHONE 514-849-6274

#### FOR SALE **BUILDING CONTRACTORS**

LONDON A SUCCESSFUL PRIYATE COMPANY WITH PRE-TAX PROFIT OF OVER £60,000 NET, ON TURNOVER £400.000.
Please write Box G.5386, Financial Times, EC4P 4BY.

SPECIALIST ENGINEERING

COMPANY
Old-established Company in West
Yorkshire. Own Product — Own
Property — including Land for
Development. Profits £30,000 per
annum. Write initially to:
Watson, Wood & Co.,
Chartered Accountants,
3/9 Manufacture has

249 Manningham Lane, Bradford BDS 7EW, W. Yorkshire

INVESTMENT

**OPPORTUNITY** 

Engineering Company for sale

£150,000. Assets include Free-

London.

hold Premises.

#### Luxton & Lowe Ltd

Specialists Agents in the SALE & PURCHASE OF HOTELS/CATERING & NURSING HOTELS/CATERING & NORSING
REST HOMES
Urgently require aound businesses
to meet steady demand
Business Chambers
Sea Burlington Road, New Malden
Surrey - 01-949 5451 - PBX

COFFEE FACTORY FOR SALE NW London, near North Circular.

M1 and M4
Highly automated and modern coffee factory with rosating and packing capacity of 15 tons per week.
260,000. The lease and plant are for sale (not the goodwill). Technical and sales advice given if required. required
Write Box G5387, Financial Times
10 Cannon Street, EC4P 48Y.

SMALL, CLEAN Section 123 Bank FOR SALE

Substantial premium over net asset value required. Replies from recognised principals only will be Write Box G5385, Financial Times, 10 Cannon Street, EC4P 4BY.

#### Business for sale abroad PARIS

Engineering Company with cwn products and sale organisation in Europe. Sales £5 million 1979. Write Box G5398, Financial Times 10 Cannon Street, EC4P 4BY.

Business for sale in BRITAIN Exclusive distributor for U.K. of

imported engineers cooling, Tax relief but now profitable. Write Box G5397, Financial Times. 10 Cannon Street, EC42 48Y

#### FOR SALE

A profitable Instant Print company. Located in North London. Turnover in excess of £50,000 nemover in excess of 250,000 per annum with audited tax loss.

Renewable lease.

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EC4P 4BY.

DIE-MAKING COMPANY FOR SALE FOR SALE

Specialist manufacturer of dies for injection moulding industry, and capable of making tools for all rubber, plastic and metal products. Toolroom aguipped to highest standards, with small freehold factory. Location: Worcestershire. Write Box G 5:01, Financial Times, 10 Cannon Street, EC4P 48Y.

PLANT AND MACHINERY

#### -PLANT HIRE AND **READY MIXED** CONCRETE

The assets of

#### TWO PROFITABLE BUSINESSES

currently established in the above activities are available for purchase

Enquiries to:

#### TOUCHE ROSS AND CO.

Telephone 01-242 9451 Telex 261064

Ref: 1XM/SG

DIVERCO -Limited

FOR SALE

very profitable and branded MOBILE HOME MANUFACTURER

Turnover over £1 million N/P before tax, £90,000. Strong continuing works management and labour force. Large order book. Owner would stay for reasonable period.

BANK STREET WORCESTER WRI ZEW

#### LARGER GARAGE

for sale as a going concern or property only. Freshold Garage Premises altuated in town centre on a main road in a major North Eastern conurbation. Site is approx. 1% scres comprising of a large forecourt 140 ft wde, with main building of 14,500 sq. ft. (offices on pertial upper floor), second building 7,200 sq. ft. Adequate car parking. Business currently corned on as main BL Cars. Distributor for most franchises.

Phone David Green (Principal) 0542 63161 (Evening/weekends 0842 585386)

#### WINDSCREEN WIPER **MANUFACTURERS**

Producing own range of unique wiper blades for automotive, aircraft, marine and rail applications. Valuable worldwide patents. Considerable potential in both home and export markets. Modern factory Midlands. Principals only write Box G5394, Financial Times. 10 Cannon Street, EC4P 4BY.

#### RETAIL **JEWELLERS**

sale. Profits: £90/100,000 p.a. For further details write:

Shop, F. R. Shackelton Esq., Dennis House, Marsdan Street. Manchester M2 1JD.

#### FOR SALE

Medical, Laboratory and Equipment Company for sale in the the South West of England. For full details please reply to: Box G5389, Financial Times, 10 Cannon Street, EC4P 4BY.

> RETAIL/WHOLESALE **BAKERY BUSINESS**

NORTH/WEST LONDON Very Modern, Fully Equipped Sakery, Turnover \$500,000 raising, Net Probu \$50(\$80,000 raising, Ample oppor-tunity for continued expansion, Net assets, £270,000, Write 8ox G.5400, Financial Times, 10 Cannon Street, £C4P 4BY.

#### HOTELS AND LICENSED PREMISES

Turnover

THAMES VALLEY — Good profits on T/O  $\pounds_1^1m$  — TWO WELL KNOWN RESIDENTIAL INNS with prime town centre locations. £325,000 leasehold (or available separately).

CORNISH RIVIERA overlooking gl orious beach, FULLY LICENSED HOTEL (49 bedrooms, all p.b.). £56,000 profits on T/O.£291,374. £350,000 freehold.

ROBERT BARRY & COMPANY National Specialist Hotel Agents, Cotteswold House, Cirencester, Glos. (Tel: 2238).

#### **BUSINESSES WANTED**

#### INTERNATIONAL GROUP EXPANDING IN U.K.

The British subsidiary of a major Far Eastern Group is expanding and is actively looking for further acquisitions. Existing businesses are principally involved in importing and distribution. Other areas of nterest include international trading, merchanting, services, leisure and retail.

If your company is operating in the above or similar fields and is already achieving pre-tax profits of at least £200,000 p.a. (or is capable of reaching this level shortly), please contact us. Potential for growth and continuity of management are important factors. Our approach is flexible both in acquisition terms and future management arrangements.

Write Box G5390, Financial Times, 10 Cannon Street, EC4P 4BY.

#### PUBLIC HOUSEBUILDING AND INDUSTRIAL GROUP

wish to acquire well-established house-builders. Turnover should be in excess of 200 units per annum. All locations considered.

> Replies in strict confidence to Box G.5355, Financial Times, 10 Cannon Street, EC4P 4BY

#### An Industrial Holding Company

Would be interested in acquiring an established METAL FABRICATION AND PROCESS FINISHING COMPANY within 15 miles of Central Manchester

The Company should have equipment and associated skills in forming and electric arc welding up to \( \frac{1}{2} \) plate to fine tolerances and completing products by shot blast, zinc spray and paint finishing processes.

Only Principals should respond to Box G5348

Financial Times, 10 Cannon Street, EC4P 4BY.

#### GARAGE BUSINESS

Economic Merger

established medium-size garage business engaged in car sales, servicing & repair, Location South London/Surrey. Proprietors wishing to sell please Services Ltd. | write in confidence to the Acquisitions Director. HILLGATE HOUSE, OLD BAILEY. LONDON EC4M 7HS

We are retained by clients seeking to purchase an

ADVERTISING AGENCY WANTED

An astablished medium sized Agency/PR Group with excellent London facilities would like to acquire a London-based Agency with up to 12m billing with or without the existing management. Initial talks in complete confidence

EDWARD LEWIS & CO., ACORN HOUSE. 314 GRAY'S INN ROAD. LONDON, WC1H 8DP. Tel: 01-837 5244.

BUSINESSS FOR SALE/WANTED APPEARS EVERY FRIDAY CONTACT DIANE STEWARD 01-248 5284

#### By Yoko Shibata in Tokyo CANON, the Japanese manufacturer of cameras and business machines, increased its operating profits by 59.6 per cent to Y18.58bn (\$75.8m) in the year to December 31. Net profits rose 51.8 per cent to Y11.331bn, and sales 36.9 per cent to Y187.47bn

Full year

profits

rise at

Canon

(\$<u>7</u>65m). The company has lifted the year-end dividend to Y5.00 from Y3.75, to make a total for the year of Y8.75, against Y7.50, on per share profits of Y51.76, compared with Y35.03.

The marketing of a new camera model, the AV-1, to go with the established A-1, helped to raise sales in the camera division by 34 per cent, to account for 52 per cent of total

Canon strengthened its posi-

tion in the Plain Paper Copier (PPC) market by introducing a new high speed model, NP200J. Copier sales rose 42 per cent, to account for 25 per cent of the total. Sales of semiconductor producing equipment (mask-aligners), of which the company holds 35 per cent of the world market, jumped 52 per cent, to reach 11 per cent of the total.

The company's desk-top calcu-lator sales also fared well, rising 28 per cent, to 12 per cent of overall sales, helped by brisk overseas sales.

Export sales in total were up 45 per cent, and accounted for 72 per cent of all sales.
In spite of the 30 per cent

depreciation in the yen in the foreign exchanges and the large share of exports in sales, the company made exchange losses of Y5.8bn. Having experienced a squeeze in profits in 1978, as the yen appreciated sharply, the company decided at the start of the year to hedge its export receipts several months forward, against the possibility of a further appreciation. As the reverse happened, Canon's export profitability did not recover until the second half of the vest.

For the current fiscal year the company plans to expand the market share of its middlequality cameras, along with the fast-growing single-lens reflex A-1, and AV1. Further growth in sales of PPCs, centring on the NP200J are expected. As a in Australia and higher taxaresult, operating profits, it is tion applying to certain overthought, will reach Y23bn, up seas operations. 23.8 per cent, and net profits Y12.5bn, up 10.3 per cent, on sales rising 22.7 per cent to

#### Vereeniging Refractories well ahead

VEREENIGING Refractories (Verref), South Africa's largest manufacturer of refractory bricks, increased its pre-tax profit by 47.5 per cent to R13.54m (\$16.7m) in the year to December 31, from R9.18m in 1978. But good though this result was, the group's switch to LIFO (last in first out) accounting meant that pre-tax profits were R1.56m lower. Thus, on a comparable basis, pre-tax profit would have advanced by 64.5 per cent to

Turnover rose 23.3 per cent to R77.3m (\$95.2m). Verret's largest contributor to profits remains refractories, with higher capacity installed for import replacement and exports. Elsewhere, the group's roof tile division, Coverland, has yet to experience in full the benefits

of improved housing demand. The group remains highly liquid with no major expansion plans on the drawing board. But even so, dividend policy remains conservative. From earnings per share of 144 cents, against 98.9 cents, dividends totalling 48 cents, compared with 36 cents, have been declared.

#### First-half increase by Calan

By Our Johannesburg Correspondent

CALAN, THE South African manufacturing group with interests in rubber, plastics, lighting, electrical equipment, and tyre distribution has reported better results for the six months to December 31.
First-half turnover rose 22
per cent to R87.8m (\$108m), from R72.3m in the same period of the previous year. Despite slacker conditions in tyre markets, higher plant throughputs elsewhere gave better overall margins and resulted in a 42 per cent pre-tax profit advance to R5m (\$6.1m), from

R3.5m. During the first six months. Calan earned 45.1 cents per share, compared with 37.1 cents, from which an interim dividend of 11 cents, against nine cents, has been declared.

#### THE PHILIPPINE INVESTMENT COMPANY S.A.

Net Asset Value as of January 31, 1980 U.S.\$13.55 Listed Luxembourg Stock Exchange *Agent:* Banque Générale du Luxemi

# Sime Darby lifts interim earnings and dividend

BY WONG SULONG IN KUALA LUMPUR

share, from 5 ringgit a year viously.

before minorities of 25.7m ring. Tractors is making a 12.5 cent git, from 60.4m ringgit before payment per 1 ringgit share minorities of 23.5m ringgit against 10 cents. Turnover was up 29.3 per cent to 1.11bn ringgit (US\$510m), from 858.2m ringgit. The directors expect the final dividend on the enlarged capital

for the year ending June, to be The group's two major subsidiaries—Consolidated Planta-although prices received were tions and Tractors Malaysia—only marginally better. In the are also raising their dividends

per cent rises respectively, in their interim earnings. The scrip issue will increase Sime's paid-up capital to 283.4m ringgit

following 13 per cent and 47

A breakdown shows that the Malaysian logging industry and Taiping Sime's plantations division con-boosted group sales by 48 per their paymentributed 53 per cent of the cent to 308m ringgit. Pre-tax respectively.

SIME DARBY, the Malaysian group profits before interest and profit was up by 47 per cent at multinational, increased its first-tax, compared with 60 per cent; 38m ringgit, while after-tax half pre-tax profits by 21.8 per the tractors division 28 per cent profit was 42.6 per cent better cent to 135.2m ringgitt against 25 per cent; and the (US\$62m), from 111.3m ringgit trading and manufacturing diviin the same period of the presion in Hong Kong, ASEAN and vious year, and has lifted its the Pacific basin 17 per cent, interim dividend to 6 ringrit a compared with 13 per cent pre-

earlier. A one-for-three scrip issue is planned.

After-tax earnings in the six img a dividend of 7 Malaysian months to December 31 rose by cents per 50 cents share against 26.8 per cent to 76.6m ringgit, 6.7 cents previously, while Consolidated Plantations' pre-

tax earnings rose moderately, by 13 per cent to 59.8m ringgit, with after-tax profits rising by 11.6 per cent to 32.7m ringsit. The profit growth was largely the result of higher palm oil not less than 7.5 cents, which the result of higher pane would be equivalent to 10 cents sales and better prices for rubber. Palm 62 sales rose from to 72.000 tonnes, 64,000 tonnes to 72,000 tonnes,

> down by 2.5 per cent at 14.6m kilos, but the price rose by 18 per cent. On the Tractors side, the con-tinuing strong demand for equipment and services from

case of rubber, sale volume was

at 19.4m ringgit.

pany within its group showed a substantial improvement in performance and earnings.

Benta, and Taiping Consolidated which published their interim results last week, showed a disappointingly moderate growth in earnings despite strong commodity prices. Kempas, which is Sime's second biggest plantation group after Consolidated Plantations,

reported a 12 per cent increase in pre-tax profit to 19m ringgit for the six months ending December, while Taiping Con-solidated's pre-tax profit growth was down 6 per cent to 410,000 ringgit, However, Benta's earn-

to 50,000 tonnes. Kempas has declared an in-

terim dividend of 14 cents against 12 cents, while Benta and Taiping have maintained their payments at 8 and 10 cents

# Tractors said that every com-

edged up from A\$20.2m to A\$22.0m (U.S.\$24.3m), but not carnings dipped from A\$11.50m Three of Sime Darby's plantation subsidiaries - Kempas, to A\$11.45m. Tax took A\$10.0m compared with A\$8.27m in the same previous period . Despite the result showing little change, the board lifted the interim dividend from 4

> directors said that the loss of tax relief in the form of trading stock valuation adjustment had adversely affected earnings. Sales to the original equip-ment market increased by 27 per cent, but sales to the aftermarket rose by only 7.5 per The board said that the

> > offer by

debenture holders.

10 years.

By Our Sydney Correspondent

CSR, the major industrial and

mining group, is seeking to raise up to A\$35m (US\$38.6m) through a debenture offering to existing shareholders and

CSR is offering a top rate of

12 per cent for long term funds which confirms the rising

interest rate trend and estab-

lishes a benchmark for indus-

trial company long term rates.

The group is seeking a mini-mum of A\$25m with the right

to take over-subscriptions up to-

A\$10m. The terms are 11.4 per cent for 3.5 years, 11.5 per cent

for 5.5 years, 11.85 per cent for

8.5 years, and 12 per cent for

version of A\$11.1m of deben

tures which mature in March.

The issue allows for the con-

**CSR** 

December.

ings were up by 28 per cent to 5.2m ringgit.
Sales of palm oil by Kempas increased by 13 per cent to 26,000 tormes, but sales of palm oil products rose 127 per cent econd half had opened slowly and that making predictions for the full year was difficult. Debenture

# Higher tax limits Monier gain

BY OUR SYDNEY CORRESPONDENT

A\$7.0m (U.S.\$7.7m) in the six months ended December. The prosperous rural sector. directors have lifted the interim Activity in the home builddividend from 5 cents a share to 5.5 cents. Last year, the company paid a final of 6 cents. Group sales advanced by 25 per cent from A\$108m to A\$136m (U.S.\$150m). Pre-tax provision was up 79 per cent from A\$3.5m to A\$6.25m, re-

flecting the abolition of the products division was inhibited trading stock valuation adjust- overall by reduced consumer ment for tax purposes, a halving in the tax deduction from the investment allowance

The directors said that both operations was aided by a more tained.

Year ended 31st December

Expenditure on fixed assets

Earnings per Ordinary Share

Dividends per Ordinary Share

External Sales

Depreciation

Final

interim

Trading Surplus

Profit before taxation

Profit after taxation

Net assets per share

Dividend cover . . .

cost of money.

the Company.

**AI** Industrial

**Products Limited** 

**Preliminary Results** 

**FUTURE PROSPECTS** 

Despite the continuing strength of sterling immediate

for Low Tension Products. Total Group sales for the month of January 1980 have exceeded that achieved

in January of the previous year by 10%. However,

prospects for 1980 remain inhibited by problems

arising from the steel strike, poor profit margins on exports, the excessive rate of inflation and the high

The Board is making every effort to deal with these

Annual General Meeting to be held on Thursday 20th March 1980 at Federation House, Station Road, Stoke-on-Trent at 3 p.m.

problems and is confident in the long term future of

THE HOKKAIDO TAKUSHOKU

BANK LIMITED

("TAKUGIN")

US \$15,000,000

NEGOTIABLE FLOATING RATE

CERTIFICATES OF DEPOSIT MATURITY DATE AUGUST 22, 1984

In accordance with the provisions of the Certificates of Deposit

notice is hereby given that for the six month Interest Period

from February 19, 1980 to August 19, 1980

the Certificates will carry an interest Rate of 15 1/6% per annum.

FIRST CHICAGO

CORRECTION NOTICE

This advertisement corrects the erroneous Maturity Date shown in the advertisement placed on February 19, 1980.

workload is in general at a satisfactory level other than

MONIER, the building products favourable economic environgroup, raised its earnings by ment, an increased tempo of 17 per cent, from A\$5.97m to activity in the building and construction industries, and a

ing industry remained firm. A high level of activity continued in the home improvements sector, and the roofing, masonry and raw materials divisions all shared in the better markets. earnings rose 39 per cent, from The pipe and contracting A\$9.7m to A\$13.5m, but the tax division enjoyed a more active trading period, with sales and profits well up, but the metal spending. Monier's associated com-

panies in Japan, Indonesia, Malaysia, and Thailand all showed improvements. Results from Papua New Guinea and New Zealand were comparable Australian and overseas opera- with those of the same previous tions contributed to the improved result. The stronger roofing and fly ash activities in contribution from Australian the U.S. were more than main-

1978

£0000's

19,099

1,830

1,218

1,022

1,110

424

87.2p

10.59p

2.8875p

1.65p

233

£000's

19,257

930

60

1,172

409

87.0p

0.54p

0.85p

0.64

Australian operations, the directors said, should continue to progress in line with increased activity in the economy and improvements in the building and construction fields. Overseas, profits from the U.S. would be assisted by the fly ash and metal building components businesses, although reduced housing starts were expected to result in only steady earnings operations. roofing from

Monier is 47.6 per cent owned by Redland, of the UK.

# Metropolitan Borough

**Floating Rate** Stock 1982 for the six months from 22nd February, 1980 to 22nd August, 1980 the interest rate on the above stock

will be £18.2188% per annum Morgan Greatell & Co. Limited

# **DUDLEY OLDHAM** Metropolitan Borough

**Floating Rate** Stock 1982 for the six months from 22nd February, 1980 to 22nd August 1980 the interest rate on the above stock will be £18.2188% per assum

Morgan Grenfell & Co. Limited

SURO

A LOW

Specialist cutting tools and machine tools

# **Brooke Tool Engineering** (Holdings) Limited

PRE-TAX PROFITS

1979

£495,000 1978 £324,000 £161,000 £54,000

#### **First Quarter Profits** ahead of last year



D. M. SANDY SAUNDERS Chairman

Newtown House, Mald Marian Way, Nottingham AUTOMOTIVE - EDUCATION - ELECTRONICS ENGINEERING · MINING · OIL SERVICES · TELECOMMUNICATIONS

# Bank of Eelsinki

NEGOTIABLE FLOATING RATE CERTIFICATES OF DEPOSIT DUE 1983/1985

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six month Interest Period from February 22, 1980 to August 22, 1980 the Certificates will carry an Interest Rate of 16% % per annum.

U.S. \$20,000,000

# Sterling firm

The dollar was steady, while sterling continued to improve in the foreign exchange market yesterday. The U.S. currency finished unchanged at Y246 against the Japanese yen, and eased stightly to DM 1.7465 from DM 1.7475 in terms of the D-mark, after trading within a narrow range of DM 1.7445 to DM 1.7470. Movement was similarly restricted against the Swiss franc to a range of SwFr 1.6350 to SwFr 1.6410, before finishing at SwFr 1.6410, before finishing at SwFr 1.644, compared with SwFr 1.6430 on Wednesday. The dollar's index, as calculated by the Bank of England, fell to 85.6 from 85.7.

Sterling gained ground from an opening level of about 498

lira gained ground. Sterling was yen, reflecting settlement of fixed at DM 3.9870, compared export bills, but the Bank of with DM 3.9760, and the Swiss Japan intervened once again, franc at DM 1.0644, compared selling about \$50m and this with DM 1.0705. The Bundesbank turned the tide in favour of the did not intervene when the Japanese currency. The dollar dollar was fixed at DM 1.7458, opened at Y 246.10 and touched a compared with DM 1.7460, with the U.S. currency trading within a narrow range, helped by firmer close.

S5.6 from S5.7.

Sterling gained ground from an opening level of about \$2.28, to \$2.2850 at noon, and a peak of \$2.2905-2.2915 in the early afternoon. It was then steady at around \$2.2875 for the rest of the day, and closed at \$2.2865-2.2875, a rise of 75 points on the day.

The pound's trade-weighted index, on Bank of England figures, rose to 72.8 from 72.5, after standing at 72.6 in the morning and 72.7 at noon.

D-MARK — Very strong, but 1.809.05 from Long two devaluations since EMS began last March—The krone improved against all major currencies except sterling at the Copenhagen fixing. The pound rose to DKr 12.4160 from DKr 12.400, while the dollar fell to DKr 5.4385 from DKr 5.4525. The Swiss franc declined to DKr 3.3165 from DKr 3.3340, and all members of the EMS lost ground to the Danish currency.

morning and 72.7 at noon.

DMARK — Very strong, but remaining steady within the European Monetary System.—The Dmark showed mixed changes against major currencies at the Frankfur fixing, rising against the dollar and Swiss franc, but falling in terms of sterling and the Swedish krone against the French franc, Dutch guilder, and Danish krone declined against the Dmark, but the Irish punt, Belgian franc, and lira gained ground Sterling was

	ECU contral retes	Currency amounts against ECU February 21	% change from central rate	% change adjusted for divergence	Divergence
Belgian Franc	39.7897	40.5760	+1.98	+1.50	±1.53
Danish Krone	7.72336	7.77889	+0.72	+0.24	+1.64
German D-Mark	2.48208	2.49846	+0.66	+0.18	+1.125
French Franc	5.84700	5.85632	+0.17	~0.31	±1,3557
Durch Guilder	2.74362	2.75363	+0.36	~0.12	±1.512
nsh Punt	0.668201	0.673883	+0.85	+0.37	±1.668
talian Lira	1157.79	1157.78	· <b></b>		+4.08

#### THE POUND SPOT AND FORWARD

Feb. 21	\$pread	Close	One month	p.a.	nonths	p.a
U.S.	2.2785-2.2915	2.2865-2.2875	0,37-0.27c pm	1.68	1.20-1.10 pm	2.0
Canada	2.6280-2.6435	2.6310-2.6320	0.95-0.85c pm		2.55-2.55 pm	
Nethind,	4.372-4.473	4.40-4.41	214-114¢ pm		612-512 pm	5.4
Belgrum,	84.60-65.05	64.90-85.00	20-10c pm	2 22	58-48 pm	3.2
Denmark	12.38-12.47	12.45-12.46	314-514 ore dis		8-10 dis	-2.89
Ireland	1.0760-1.0785	1.0765-1.0775	par-0.10e dis		0.14-0.24dis	-0.70
W. Ger	3.971-4.001-	3.9914-4.0014	3%-2%pf pm		9,4-8,7 bw	8.75
Portugal	108.30-109.20	108.75-109.00	20-70c dia	-4.96		-2.94
Spain	152.90-753.60	153.35-153.45	15-65c dis			-2.48
Italy	1,843-1,851	1,849-1,850	1-3 lire dis			- 1.85
Norway	13.09-11.76	11.14-11.15	6-4ore pm	5.38	174-154 pm	5.83
France	9.3212-9.3812	9.3612-9.3712	31-21c pm		11-10 pm	4.48
Swedon	9.51-9.55	9.5219.531.	31-11-ore pm		812-612 pm	3.15
Japan	557-665	562-563	3 75-3.45y pm		11.45-11.10pm	
Austria	28.50-28.65	28.57-28.62	25-15gro pm		67-57 pm	8.67
Switz.	3.7212-3.7612	3.744-3.754	43-33c pm		124-114 pm	12.39
Bo Six	igian rate is i c-month forwa	or convertible rd dollar 2.15.	franca. Financi 2.05c pm, 12-m	iel franc onth 3.2	67.00-67.10. 10-3.10c pm.	

THE	DOLLAR	SPOT	AND	FORWARD

 Feb. 21	Day's spread	Close	One month	% p.s.	Three months	% p.a.
UK†	2.2785-2.2915	2.2865-2.2875	0.37-0.27c pm	1.88	1.20-1.10 pm	2.01
tbnale:	2.1220-2.1255	2.1230-2.1250	0.40-0.30c pm	1.98	1.50-1.35 pm	2.68
Canada	1.1503-1.1532	1.1503-1.1506	0.15-0.12c pm		0.40-0.36 cm	1.32
Nathind.	1.9225-1.9250	1.9240-1_9250	0.65-0.55c pm	3.74	1.80-1.70 pm	3.64
Belgium	28,34-28,40	28.38-28.40	4-21:c pm		9-7 pm	1.13
Denmark	5.4375-5.4485	5.4445-5.4450	2.00-2.50ore dis	-4.96	5.75-6.25dis	-4.41
W. Ger.	1.7445-1.7470	1.7460-1.7470	1.08-0.98pf pm	7.08	3,07-2.97 pm	6.92
Portugal	47.55-47.67	47.59-47.67	10-20c dis	-3.78	30-60 dis	-3.78
Spein	87.00-67.20	67.01-67.05	20-35c dis			-4.47
italy	808.75-809.10	808.90-809.05	13-2 lire dis	-2.41		-3.71
Norway	4.8570-4.8760	4.8730-4.8740	1.90-1.40pre pm	4.06	5.20-4,70 pm	4.06
France	4.0915-4.0955	4.0940-4.0955	0.95-0.85c pm		2.50-2.35 pm	2.37
Sweden	4.1675-4.1700	4.1675-4,1685	0.70-0,50are pm	1.73	1.35-1.15 pm	7.20
Japan	245.80-246.25	245.95-246.05	1.35-1.20y pm		3.80-3.65 pm	6.06
Austria	12,483-12,502	12.497-12.502	6.90-5.30gro pm		22.00-20.00pm	
Switz.	1.6360-1.6410	1.6395-1.6405	1.67-1.50c pm			

t UK and trained are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Sterling	CONI	3E141	or na	وساء	COLLIE	111012	
Stering	Feb. 20	rate	Drawing	Currency	Fab. 21	England	
Swedish Kr 10 5,47969 5,96720 Washington agreement December, 1971 Swiss Fr 2 2,13912 2,33710 (Bank of England Index=100).	U.S. S. Ganadian S. Austria Sch. Beigian F. Danish K. D'Mark Guilder French Fr. Lira Yen Norwgn, Kr. Spanish Pkr. Swedish Kr.	15 14 10 12 10 12 10 12 15 15 15 15 15 15 15 15 15 15 15 15 15	0.576182 1.31162 1.51505 16.4110 37.1877 7.14702 2.52225 5.36649 1.060.77 322.659 6.39152 87.8353 5.47969	1.43030 1.65621 17.8869 40.5489 7.77223 2.49787 2.74989 5.85206 1156.75 351.853 6.95768 95.7870 5.96720	U.S. dollar Canadlan dollar Austrian schilling Belgian franc Danish kroner Deutsche mark Swiss franc Guilder French franc Lira Yen Based on trade we Washington agner	85.6 82.3 108.6 108.6 109.3 126.2 102.0 55.3 114.8	- 8.0 - 15.7 + 24.4 + 15.5 - 3.1 + 46.0 + 78.5 + 20.3 - 5.8 - 49.5 + 13.8 anges from

#### OTHER MARKETS

CURRENCY BATES

Feb. 21	£	5		£ Note Rates	l
Argentina Peso	3860-3880	1885-1695	Austria	28.45-28,70	H
Australia Dollar	; 2.0720-2.0760	0.9060-0.9065	Beigium	65,75-67,35	łі
Brazil Cruzeiro	102,91-103,91	45.00-45.45	Denmark	12.36-12.43	Hi
Finland Markka	B.50-8.51	8.7135-3.7155	France	9.31-9.37	hi
Greek Drachma		38.20-38.40	Germany,	3.99-4.015	ľi
Hong Kong Dollar	11.30-11.32	4.9410-4.9440	Italy	1880-1950	1 i
Iran Rial			Japan	561-566	li
Kuwait Dinar(KD)	0.618-0,528	0.2732-0.2733	Netherlands	4.5919-4,42	ı.
Luxembourn Frc.		28,38-28,40	Norway	11.12-11.19	1
Malaysia Dollar	4.9730-4.9850	2.1750-2.1770	Portugali	1051g-1091g	1
New Zealand Dir.			Spain	150te 1575	14
Saudi Arab, Riyal,		3.3602-3.3608	Sweden	9.51-9.56	ľ
Singapore Dollar.		2.1520-2.1540	Switzerland	3.74-3.76	ľ
Sth. African Rand	1.8525-1.8550	0.8100-0.8110	United States.	2.287-2.295	19
U A.E. Dirham		3.7405-3.7420	Yugoslavia	5012-5234	Ц
				عندنبند	١,

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Rata	gi <b>ven</b>	for	Argentina	is	free	rata,	•	Indication	01

EXCHANGE	CDOSS	DATES
EXCHANGE	CRUSS	HAILS

EXCITATION O	1000 1041									
Feb, 21	PoundSterling!	U.S. Dollar	Deutschem's	Japanse'Yen	PrenchFranc	Swiss Franc	DutchGuild'r	Italian Lira	Canada Dollar	Belgian Fran
Pound Starling	0.437	2.287	3,998	562.5	9.370	8.753	4.406	1850.	2,632	64,95
J.S. Dollar		1.	1,748	246.0	4,097	1.641	1.926	808,7	1,151	38,40
Jeutschemark	0.250	. 0,572	7,107	140.7	2.344	0.939	1,102	462.7	0.658	16.35
Japanese Yen I,000	1.778	4,066		1000	16.66	· 6.671	7,831	5288.	4,678	115,5
rench Franc 10	1.067	2,441	4.266	600.3	10.	4.005	4,701	1974.	2,808	69.32
wiss Franc	0.266	0,609	1.065	149.9	2.497	1.	1.174	492.9	0,701	17,31
Outch Guilder	0.237	0.519	0,907	127.7	2.127	0.852	1.	419,9	0,597	14.74
talian Lira, 1,000	0.541	1,237	2,161	304.1	5.066	3,029	2,382	1000.	1,423	35.12
Canadian Dollar	0.380	0,869	1.619	213.8	3,561 14.43	1.426	1,574 5.782	702,8 2848	4.052	24.68 100

#### **EURO-CURRENCY INTEREST RATES**

The following nominal rates were quoted for London dollar cartificates of de posit: one-month 15.50-15.80 per cent: three-months 15.65-15.75 per cent. six nonths 15.65-15.75 per cent; one year 15.20-15.30 per cent.

Feb. 21 Ste	rling	U.S.Dollar	Canadian Dollar	Dutch Guilder		West Gorman Mark	French Franc	Italian Lira	Asian S	Japanese Yen
7 days notice. Wonth 175 Three months 18;	1/8 1/8 1/7 /8 1/8 /4 2-18 /8	15%-15% 1512 1534 15%-1578 15%-16% 16%-15%	1219-1314 1219-1312 1338-14 1419-1418 1414-1458 1414-1468	1114-1112 1114-1112 1178-1218 1218-1238 1218-1238 1218-1238	39-58 314-318 314-318 518-314 518-559 518-578	71g-71; 71g-71; 8-6 8-6 8-6 8-6 9-91g 9-16-9-16	121g-123g 121g-125q 13-1314 133g-135g 1354-14 133g-14	14-16 18-20 1712-1812 19-20 1914-2014 20-21	1558-1554 1676-1576 1676-1676 1578-16 1578-16	712 812 812 813 913 913 913 1013 978 10 918 912

Long-term Eurodollar two years 143-147, per cent; three years 143-145, per cent; four years 143-147, per cent; five years 143-147, per cent; nominal closing rates, and large rates are call for sterling. U.S. dollars. Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

#### INTERNATIONAL MONEY MARKET

# European rates firm

European short-term interest U.S. Federal Reserve discount rates were generally firm yester-lay, with call money in Paris Rank of Japan. returning to the five year peak
Term rates continued to firm
to 123 per cent touched last in Paris, with three, six and 12 December. Day-to-day funds monthly money all rising to 13-couched a five month low of 11; 13; per cent. per cent on Monday, and were still only 112 per cent on Wedlesday, but the upward move in the Bank of France money market intervention rate to 12% per cent from 12 per cent led to yesterday's sharp increase. Bankmg liquidity improved recently following large assistance by the central bank through purchases of first category paper, but Wed-nesday's new intervention rate was taken as a signal to the mar-ket of tighter conditions. International interest rates have shown an upward trend follow-ing the increase in the U.S.

us Treasury

MONEY RATES

NEW YORK

SERMANY.

Jiscount Rats ......

(Unconditional) ........ 9.43 Discount (three-month) 10

..... 7.26 ..... 9.4375

In Frankfart call money reversed Wednesday's firmer trend, falling to 7.40-7.60 per cent from 8.20-8.30 per cent, but period rates were firmer. Six and 12-month funds rose to 9.10-9.20 per cent from 8.90-9.00 per

In Amsterdam interest rates were also firm, with call money rising to 111-111 per cent from 101-101 per cent.

#### UK MONEY MARKET Heavy

shortage Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979) The flow of tax payments and national insurance money left and the authorities gave assistance on a very large scale. The

lent a moderate amount to

Firmer trend

was \$662-666, little changed from afternoon.

active day. The metal opened at \$645-655, and was fixed at \$646.50 in the morning. The lowest level touched was

Gold rose \$30 to close at the afternoon fixing of \$665. \$685-660 after a moderately In Paris the 12½ kilo gold

February 21

Gold Bullion (fine ounce

(£2 7-292) (£718-751<sub>2</sub>) (£761<sub>2-</sub>791<sub>2</sub>) (£77-80)

and the highest point FFr 83,500 (\$634.76) Wednesday

at Minimum Lending Rate. Banks brought forward small the London money market short surplus balances, and the market of day-to-day funds yesterday, was also helped by a small was also helped by a small decrease in the note circulation. On the other hand there was a Bank of England bought a small amount of Treasury bills from small net take-up of Treasury bills to finance coupled with an extremely large excess of revenue payments to the the discount houses and banks, and bought a moderate number

seven or eight houses, overnight

of eligible bank bills, which will be resold to the market at a fixed future date. The help was completed when the authorities the control of throughout, balances were picked up at 161 per cent. In the interbank market overnight loans opened market overnight loans opened at 163-17 per cent, before rising sharply to 25-30 per cent. In later trading rates fell back to 163-17 per cent, but increased again to 25-30 per cent at the close.

In Paris the 121 kilo gold bar was fixed at FFr 84,200 per kilo (\$639.73 per ounce) in the after-

noon, compared with FFr 84,500 (\$642,20) in the morning, and

February 20

Rates in the table below are nominal in some cases.

#### LONDON MONEY BATES

	<u> </u>						 		جنسيس
Feb. 21 1980	Sterling Certificate of deposit	interbank		Local Auth- negetiable bonds	Finance House Deposits	Company Deposits	Tressury	Eligibia Bank Bills é	Fine Trade Blis #
Overnight	1716-172 1734-173	1634-30 1718-1746 173-1734 1756-1734	171 <sub>2</sub> -175 <sub>2</sub> 175 <sub>8</sub> -175 <sub>4</sub> 175 <sub>8</sub> -175 <sub>4</sub>	18 <sup>3</sup> 4-18 <sup>3</sup> 9 19-18 <sup>3</sup> 4	18 18 18	174-172 	 16 183	- - - 17接 17%	1818 1778 1758
Three months Six months Nine months One Year	174-1758 17-6-16-5 164-1618	1768-174 171-174 184-161 <sub>2</sub> 164-161 <sub>8</sub>	1734-1779 1659-1779 1616-1678	184-171 <sub>2</sub> 171 <sub>8</sub> -165 <sub>8</sub> 17-165 <sub>8</sub> 163 <sub>8</sub> -16	18 174 163 264	18	 =	16°	164

Local authorities and finance houses seven days' notice, others seven days fixed. \*Long-term local authority mortgage res nominally three years 15%-16 per cent; four years 15%-15% per cent; five years 15%-15% per cent. \*© Bank bill rates to be buying rates for prime paper. Buying rates for icur-month, bank bills 16% per cent; four-month trade bills

17% per cent.

Approximate selling rates for one-month Treesury bills 15% per cent: two-months 16% per cent; three-months 16% per cent. Approximate selling rates for one-month benk bills 17% per cent: two-months 17% per cent; three-months 17% per cent; per cent; three-months 17% per cent; three-months 17% per cent; per cent; per cent; three-months 16% per cent; three-months 16% per cent; three-months 16% per cent; three-months 16% per cent; three-months 17% per cent; p

COUNTRY

#### WORLD VALUE OF THE DOLLAR

COUNTRY

rates of exchange for the U.S. dollar against various day, February 20, 1980. The Exchange rates listed in buying and selling rates as quoted between indicated. All currencies are quoted in loreign advances in cartain specified areas. All rates ps a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all the listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

COUNTRY

	CURRENCY	DOLLAR	COUNTRY	CURRENCY	OOLLAR -	COUNTRY	CURRENCY	DOLLAR
Afghanistan	Afghani (O)	44,00	Greenland	Donish Krone	6,435	Papua N. Guinea	Kına	0.6996
Albania	Lek	4,4289	Grenada	E. Caribean S	2,7025	Paraguay	Guarani	137.30
Algeria	OIRAT	3.8325 4.0907	Guadaloupe	Local Franc	4,0907 1,00	Peoples D. Repub.	6 V	0.3415
Andorra	Sounish Peasts	68.95	Guatemala	Dustral :	1.00	Peru	soi	256.55
Angola ,	Kwanza	27,627	Guinea Bisseu Guinea Republic	Peso	33,5205	Philippines	Ph. Poso	7.40
Antique	E. Caribbean 8	2,7025	Guinea Republic	Syll	18.806	Philippines Pitosirn islands	NZ.S	1,0116
Argentina	Argentina, Peso	1675,50 0,9013	Guyana	Guyanese E	3,5668	Poland Portugal	Zioty (O)	31.00
Australia	Austraign 5	12,5055	Haiti	Gourde	5.00	Portugal	POFL ESCUDO	47.585
Austria Azores	Portug. Facudo	47.585	l Honduras Repub	Lempira	2.00	Port Timor Puerto Rico	IIIIOF EBBUGO	n.a. 1.00
Bahamas		1,00	Hong Kong	H.K. S	4,868	Facto Moor	0.0	1.00
Bahrain	Dinar Dinar	0.3778	Hungary	Forint (Or .	34,80	Qatar	Qatar Ryal	3,70
Balearic Isles	Spanish Peseta	66,95	celand	I. Krona	363,40			4.0907
Balearic Isles Bangladesh	Taka	15,3084	India	Ind. Rupee	7.98	Reunion,lie de la	French Franc	0.6935
Rarhadae	Robodoe C	2,01	Indonesia	Rupjah ·	625,00	Romania	knu s i arr	4,47
Belgium	B. Franc (C)	.28,35	!ran	Rial	71.50	Rwanda	Rwanda Franc.	92,84
Belize	B. Franc (F)	29,325 2,00	Iraq Irish Republic	iraq Dinar	0.2953 2,1207			
Benin	G.F.A. Franc	204,535	Israel	Israeli Pound	38.36	St. Christopher	E. Caribbean S	2.7025 2.2805 2.7025
Benin Bermuda	Bda S	1.00	Italy	Lira	805.15	St. Helena	Sterling *	2.2805
Bhutan	Indian Rupes	7.98	Italy Ivory Coast	C.F.A. Franc	204,535	St. Lucia	C E A Esanc	204.535
Bollvia,	Bolivian Peso	25,00	I .		1 202-	St. Vincent	E. Caribbean S	2,7025
Botawana	Pula Onenia	0.7919	Jamaica	Jaingicen Dóile?	1.7835 245.70	Samoa American	ย.ร ร	1,00
Brazij, Brit Virgin lalac	Gruzeiro	43.79 1.00	Jordan.	Jordan Diese	0,295	San Marino	Italian Lira	805 15
Brazii Brit. Virgin Islas Brunei	Srunei S	2,151	1	-	0,275	Saudı Arabia	Saudi Riyal	3 36
Bulgaria	Lev	0,879	Kampuchea	Riel	n.a. 7 <u>.359</u> 3	Senecal	C. F. A. Franc	204.535 5-8452
Gurma	Kyat	6,7271	Kenya Korea (Nth)	Konya Shilling		Seychelles	a. nupec.	0.877
Burundi	Burundi Franc	90,00	Korea (Sthi	Won	0,94 580.00	Singapore	Einnanore S	2,151
Cameroun Repub'c	C.F.A. Franc	204.535	Kuwait	World Sings	0.2733	Solomon Islands	S.I. S	0.9013
Canada	Canadian S	1,1598	J	-	0,2133	Solomon Islands Somali Republic	Som, Shilling	6,0241
Canada Canary Islands	Spanish Peseta	. 66.95	Lao Pipis D. Rep Labanon	Kip of Lib.	400,00	South Africa	Rand	0.8119
Cape Verde Isle Cayman Islands	Cape V. Escudo	36,51	Lebanon	Lebanese Pound ·	3,3035	Spain	Peseta.	66.95
Cayman Islands	Cay. IS. 5	0,855	Lesotho	Kand	0,8119 . 1,00	Spanish ports in	P- Bassas	66.95
Cent. Af. Emp Chad	C.F.A. Franc	204,535 204,535	Liberia, , , , ,	Liberian *	0,2961	North Africa Sri Lanka	Sp. reseta.	15,67
Chile	Childen Boso (A)	204,535 59.00	Liechtenstein	Swice Eranc	1,6335	Sudan Republic	Pound (2)	0.50
China	Renminhi Yuan	1.5438	Luxembourg	Lux Franc	28,36	Sudan Republic	Pound (1)	0,80
Colombia	Col. Peso (O)	43,38	1			Surinam	S. Guilder	1,80
Colombia	C.F.A. Franc	204,555	Macao Madagascar D. R.	Pataca	5.31	Surinam Swaziland	Lliangeni	0.8119
Congo (Brazaville).	C.F.A. Franc	. 204.535	Madagascar D. R.	Portugese Escudo;	204,535 47,585	Sweden Switzerland	S. Krona.	4.173
Costa Rica	COION	8.57	Malawi	Kwacha	0.8037	Switzerland	Swiss Franc.	1.6335 3,9262
Cuba	Cuban Peso	0,7235 0,3489	Malaysia	Ringoit	2,1835	Syria,	_	3,8602
Cyprus	Korupa (O)	5.25	Maidive Islands	Mai Rupee	3.93	Taiwan	New Taiwan 9 (O).	36,00
		7.50	Mali Republic Marta	Mali Franc	409_07	Tanzania	Tan. Shilling.	8,2895
Dem.Rep. S'oTome _& Principe	C Toma Bakes	34,4727	Malta	Maltese Pound	0.3442	Thailand	Baht.	20,50
Denmark	5. 10Me UDDIZ	5,435	Martinique	Local Franc	4.0907 40.907	Togo Republic	C.F.A. Franc	204.535 0.9013
Djibouti	Nikom Franc	171.015	Mauritania	Ougulya .	7.6183	Tonga islands Trinidad & Tob	Tein & Tob S	2.4063
Dominica	E. Caribbean S	2,7025	Mauritius	Maylcan Bana	22.81	Tunisia	Tunisian Dinar	0,3961
Dominican Repub.,	Domin on Peso	1,00			204,535	Turkey	Lira.	70,00
			Monaco	French Franc	4.0907	Turkey Turks & Caicos	U.S. S	1,00
Ecuador	Sucre	27.20 0,6925	Mongolia Montserrat	Tugrik (O)	3.3565	Tuvalu	Australian 5	0.9013
Egypt El Salvador	Colon	3.50	Montserrat	E. Caribbean \$	2.7025	1		7 550-
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n.a. Not available. \* U.S. dollars per National Currency unit. (0) Official rate. (C) Commercial rate. (F) Financial rate. Official rate for specified exports and imports. (2) Sudan—Official rate for all transactions except specified exports a (3) Egypt—A different rate applies to certain transactions with non-IMF countries.



# BARLOW RAND LIM

Announcement of the results of Barlow Rand's offer to ordinary shareholders of C. G. Smith & Company Limited

Introduction On 18 December 1979 it was announced that agreement had been reached between the directors of Barlow Rand and C. G. Smith & Company Limited ("CGS") in terms of which. subject to the necessary consents being obtained at a general meeting of CGS shareholders, CGS would acquire the 55.4% of Nampak Limited ("Nampak") held by the Barlow Rand Group in exchange for the simultaneous allotment of 169.508 ordinary shares in CGS. This consent was obtained at a general meeting held on 1 February 1980.

In addition, CGS were to acquire sufficient shares in C. G. Smith Sugar Limited ("C. G. Sugar") to make C. G. Sugar a subsidiary. Barlow Rand subscribed for 7,683 ordinary shares in CGS at R650 per share so as to provide CGS with the funds required to purchase an additional 489,559 ordinary shares in C. G. Sugar thereby making C. G. Sugar a subsidiary of CGS.

Offer by Barlow Rand to the shareholders of CGS other than C. G. Sugar In terms of the agreement between Barlow Rand and CGS. Barlow Rand made an offer dated 1 February 1980 the offer") to acquire any of the issued ordinary shares in CGS (other than those held by C. G. Sugar) that shareholders wished to dispose of on the following terms:

For every 1 CGS ordinary share held shareholders were offered R323.20 in cash plus the allotment, credited as fully paid, of 43 ordinary shares in Barlow Rand.

Barlow Rand acquired 78,579 ordinary shares and in respect thereof will pay R25.4m and will issue 3,378,897 ordinary shares.

Barlow Rand will hold 64.8% of the equity and 84.0% of the voting equity of CGS.



22 February 1980

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#### THE PROPERTY MARKET BY ANDREW TAYLOR

# Whitechapel shops scheme Man from the Pru

AN OUTLINE planning application for a major retail and office come from. However at this of which could cost several hundevelopment, over and behind stage it would seem unlikely dred million pounds—contain development, over and behind Whitechapel tube station in that Taylor Woodrow-which London's East End, is expected has partnered Chippindale Deto be presented to Tower velopment Services in a num-Hamlets Borough Council in the ber of ventures over the past

The application will come from Sam Chippindale, the man mitted its own plans-in partwho, when with Town and City nership with George Wimpey— Properties, developed the for a major retail development Properties, developed the for a major retail development concept of the Arndale covered to the east of London: on the regional shopping complexes, of key 120 acre Southwark site in which there are now more than Surrey Docks. 20 around the country.

Tower Hamlets has approached Mr. Chippindale, now running have become more strained of his own company — Sam Chipindale Development Services— establishing a joint develop-to see if he can do a similar job ment company have not been

The scheme, drawn up by architects Tripe and Wakenham, provides for an 860,000 sq ft shopping complex with plans for three department stores of Chippindale are currently inaround 125,000 sq ft apiece, plus volved include: a proposed shopseven other major stores of between 30,000 sq ft and 40,000

In addition there are plans for 300,000 sq ft of offices, the development of several public houses and restaurants plus the redevelopment of the tube

station entrance. fruition then the cost of the scheme, at current prices, can of at least £50m. Michael Laurie has been appointed agents to

Mr. Chippindale was in London this week but declined to submitted to the local authori-

stage it would seem unlikely

two years—would be involved. Taylor Woodrow has sub-

Moreover relations between the two companies appear to late, and negotiations aimed at progressing smoothly.

There is now some doubt as to whether a joint company will be established. Joint ventures in which Taylor Woodrow and ping centre in Leicester as well as retail developments in Rotherham and Portsmouth.

It seems likely that Mr. Chippindale will be hoping to attract financial backing from major investment institutions for the Whitechapel development.

A major retail development

If all these plans come to at Whitechapel could provide competition for the plans presently being considered by the Greater London Council and Southwark Borough Council for the redevelopment of the South-

wark site in Surrey Docks. Some 15 proposals have been reveal details of where the fin- ties, joint owners of the site. provisions for a substantial retail development.

The success of any major retail scheme in Surrey Docks, however, would appear to depend heavily on adequate access across the Thames to the north bank-where there is a marked shortage of major shopping facilities to meet the demands of a large population. It is this market that the Whitechapel development, if succeeds, will serve.

There is certainly increasing interest being shown in potential retail developments to the east of London.

On top of the schemes proposed for Whitechapel and the Surrey Group Docks, Associated Group (Asda) is thought to be looking at several possible sites east of London, including at Beckton, north of the Royal Docks.

#### Cooler on air conditioning

TAKERS OF office space in central London may in future ecome more selective about the need for air-conditioning, according to agents Smith Melzack, which is advising its clients to install air-condition-ing only where absolutely

The agents say that sharply rising fuel prices have led air conditioning costs in London's West End to double since 1976, to almost £2 a sq ft.

# takes CBI offices

THE MAN from the Pru last Westminster area. night emerged as the successful purchaser of the Confederation: Tothill Street offices-which is of British Industry headquarters in Tothill Street near Parliament

£4m plus a minimum annual rental of £150,000 for a 125-year lease on the building, which is to be substantially refurbished. The CBI is to move its head-

quarters to Centre Point-where it has agreed to pay a rent of around £8.00 a sq ft for 100,000 sq ft of offices on 15 floors—but is to retain the freehold of the Tothill Street offices. Under the terms of the

agreement with the Pru the CBI will get a percentage of the rent paid by the eventual occupier of Tothill Street—with a guaranteed minimum rent of £150,000 a year paid to the CBL It is this percentage figure which provides the key to the successful tender from the Pru, but what proportion of the eventual rent the CBI is to get, nobody is saying.
But the tender competition

arranged by agents Jones Lang Wootton on behalf of the CBI was strongly contested, and the eventual return to the confederation can be expected to headquarters of the reutration be significantly higher than the of British Industry which took up residence before the last eventual return to the Conpresent rental trends in the war.

. The cost of refurbishing the likely to take two years-is estimated to be around £5m at quare. Totall Street near Parliament current prices. This compares with £3m, or so, the CBI is understood to be spending on agreed to pay a premium of preparing its new offices in Centre Point.

Demand for central London offices remains strong and rental levels for good, well-located refurbished office premises in the Westminster area are presently between £14 and £15 a square foot.

This is not far short of the price now being asked for the remaining offices in Centre Point - thought to be around £13.50 a square foot. This compares with the £8 a square foot the CBI is thought to have agreed a year ago. The CBI is expected to move into its new offices sometime around July

The move was prompted by the need to carry out extensive refurbishment of the Tothill Street offices and the high cost of finding alternative, modern accommodation in the surround-

The CBI has occupied the many years. for offices Previously it had been the

## Higher lending rate hits U.S. market

HIGH INTEREST rates are put- term mortgage market had not ting a heavy burden on com-mercial property development tically since last October. There in the U.S. according to Mr. was considerable discussion of Bowen McCoy, president of Morgan Stanley Realty.

ment conference in Eastbourne finance, because of the huge that the system of financing new development was under great

30 years at fixed rates of interest maturity rather than the tradi-around 10 per cent. However, tional 25 to 30 years. government bonds are 14 per McCoy. their position.

Mr. McCoy said that the long- costs."

John Lewis for Kingston JOHN LEWIS PARTNERSHIP, plication for the Horsefair site.

the department store group, looks to be winning the battle

forward by John Lewis-one of and on the basis of these they two groups actively seeking to develop the town centre site. mitted an outline planning ap- nership.

shortening terms and renegotiating interest rates. Neverthe-Mr. McCoy told pension fund less, the mortgage market managers at the National Asso-would recover and remain a ciation of Pension Funds invest- major factor in real estate

level of funds flowing through U.S. institutions However Mr. McCoy said that U.S. property developments the life of mortgages could are traditionally financed by become shorter. They were long-term mortgages of up to likely to settle at 15 years

inflation is now a fact of life. But underlying market conin the U.S.: prime rate is 152 ditions for property are very per cent and yields on two-year healthy at present, said Mr. government bonds are 14 per McCoy. "There has been a cent. The institutions, there massive catch-up in rentals since fore are seriously evaluating 1977 but rents ar still low, by comparison with replacement

So far only outline approval has been given for the John Lewis scheme, which provides for a to decide who will develop the 4-acre Horsefair site at Kingston-upon-Thames.

Scheme, which provides \$20,000 sq ft department store.

However, Mr. John Ashbourne, chief executive of the bourne, chief executive of the store where the store was the store. Leaders of Kingston Borough council, said this week: "The Council have clearly indicated outline financial offers have that they favour the scheme put been considered by the council

have instructed their officers to enter into detailed negotiations, Dixons Photographic, together with a view to reaching agree-with Debenhams, has also subIN BRIEF

developer, for a major shop ping development on the remaining three acre site at Armada Way Plymonth has been chosen from a short-list. of four by the policy com-mittee of the local city council.

The scheme which includes a 45,000 sq ft store for J. Sainsbury and a 160 bedroom hotel to be operated by Hilton International is to be recommended at a full council meeting on March 3. Joint agents Hartnell Taylor Cook and Healey and Baker say there is considerable interest from leading multiple retailers for the remaining shop units.

Agents Jones Lang Wootton have been appointed by the Royal County of Berkshire to find a tenant for the entire second floor of the new county council headquarters at Shinfield Park Reading, A. rental of £12 a sq ft is being asked for the 80,000 sq ft of

• Legal and General Assurance has let 58,000 sq ft of air-conditioned offices at 27-28 Finsbury Square, London, EC2, to Merrill Lynch. An annual rental of £675,000 bas been agreed which works out at £11.60 per sq ft. The lease is to run for 21 years with five year reviews. Smith Melzack and Jones Lang Wootton acted for Legal and General, Matthews Goodman and Postlethwaite acted for

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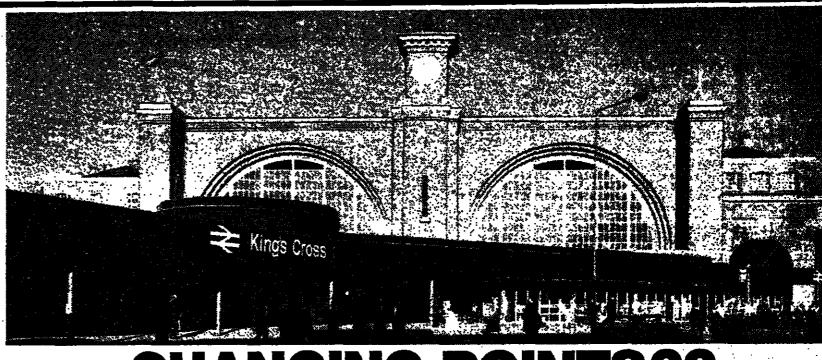
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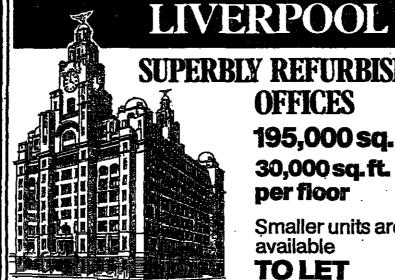
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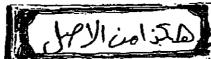
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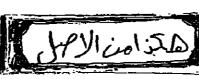
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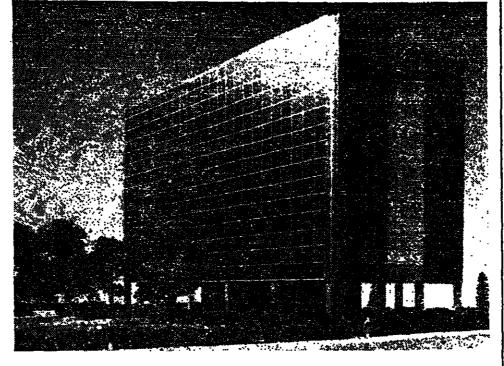
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Companies and Markets	\$ 			·	Y	YU.	KLD	210	CV M
NEW YORK	Stock Feb. 20	Feb. Stock	Feb. Feb.	Stock	k   F	eb. Feb. 20 19	Stock	Feb. Feb.	To-
Stock Feb. 165- 20 19	Columbia Plot 364 Com. Ins. Am 1919	Gt. Atí. Pac. T 661s Gt. Basins Pet 191s Gt Nthn.Nekod	224   221 <sub>2</sub> 42 351 <sub>4</sub>   35	Mess Petr MGM Metromed	ia 6	41g 651 <sub>2</sub> 95g 19 91 <sub>2</sub> 70 91g 371g	Schiltz Brew. Schlumberger SCM	!780  77E1.	Lar
AM Intl 171g 167g ARA 331g 8514 ASA 4854 485g Abbotts Labs 585c 387a	Combustn. Equip 1159 Cmwith Edison 1938 Comm. Satalile 3734	61 Gt West Financ 12 Greyhound 1958 Grumman Guif & Westerr	1778 17 1814 1818 27 2614 1 2012 2012	Militon Bra Minnesota Missouri P Mobil	7	234 52 6 574 41e 675e	Scott-Foresma Scott-Foresma Scott-Faper Scudder Duo V Sea Contra Seasyram Seasied Power. Saxie (G D) Sears Rosbuci Seasyram L. &	2038 20 7 1112 11 17 1714 1 344 34	WEDNESDAY'S R Street proved sho
Acme Cleve	CiG	28 4 Guff Oil	2378   23% 105   102	Modern M Mohasco - Monarch M Monsanto	UT 5	51 <sub>8</sub> 131 <sub>2</sub> 03 <sub>6</sub> 93 <sub>4</sub> 9 287 <sub>8</sub> 31 <sub>4</sub> 531 <sub>2</sub>	Sealed Power. Sealed (Q D)	471 <sub>6</sub> 47 22 22 231 <sub>4</sub> 221 <sub>9</sub>	generally resuming retreat in heavy day morning, althou
Air Prod & Chem 3934 40 Aiczona 1434 16 Albany Inti 2934 50 Alberto-Cuiv 834 834	Congoleum	8712 Handleman Hanna Mining.	1054 1078 3914 3944 a. 35 3478	MooreMcC Morgan (Ji Motoroia Munsingw	7mk 5 P) 5	1   491 <sub>2</sub> 81 <sub>8</sub>   481 <sub>2</sub> 73 <sub>4</sub>   58 55 <sub>8</sub>   151 <sub>4</sub>	Seatrain Lia-	275g 281g	a partial recovery session. The Dow Jon
libertson's 5734   58	Cons Edison 25 Cons Foods 2178	5412 Harrischfeger 2314 Harris Bancp 2068 Harris Corp Harris Corp	1478 1434 27 2632 87 37 3534 8614	Morgan (Ji Morgan (Ji Mortoroia Munsingw Murphy (G Murphy Oi Nabisco Naico Che	C)	44 1419 958 10578 14 2179 348 3418	Shell Cil Shell Trans Sherwin-Wms. Signal	3554 3414 3258 3118	Average was a rat 879.52 at 1 p.n ing 876.62 at noo
Uco Standard	Cons Nat Gas 4678 Consumer Power 1678 Conti Air Lines 10	4514 Hecle Mining 17 Heller Intl Hercules	4436 4834 3912 5956 2068 2014 2236 2214	Napoo Ind Nat. Can Nat. Detro	istries 1	38g ( 138g	Signode Simplicity Pati Singer	37 371, - 91 <sub>2</sub> 91 <sub>2</sub> 87 <sub>6</sub> 83 <sub>4</sub>	All Common Ind decline of 15 ce at \$66.46, after fa
Upha Portd 164 : 16	Conti Corp 28 Conti Group 284 Conti Illinois 2418	Hecks Mining	2114 2112 2968 2968 5934 5812 3256 5216	Nat Dist. Nat Gypsi Nat Servic Nat Stand	Chart 2	9 -   283	Smith Inti Smith Kline Sonesta Inti	1236 12 7854 7758 561 <sub>7</sub> 55	while declines on a three-to-two ma amounted to
mai. Sugar 55 5234 max	Control Date 5878	70 Hobart Corp	421s 425s 425s 165s 161s 19 1844	Mat. Steel.		834   1844 01 <sub>2</sub>   294 514   414	Southeast Ban	678 678 kg 1458 1458	against 30.05m a Wednesday.
m. Brands	Copeland 2412 Copperwald	70 Hobsrt Corp 144e Holiday Inns 248e Holy Sugar 181a Honeywall 251a Honeywall 251a Hoover Univi Hormal Geo 273a Household Fin Houston Inds. 28 Houston Nt Ga Houston Oil Miles	4614 4678 5678 5418 9914 9412 1234 1219	NCNB NCNB NCW Engla New Engla New Engla NY State E NY Times. Newmont!	nd E7 1	05 <sub>8</sub> 774 <sub>8</sub> 95 <sub>4</sub> 197 <sub>8</sub> 13 <sub>4</sub> 32	Southern Co Sthn Nat. Res- Sthn N. Eng. T Sthn Pagific		Analysts said t continued high further interest
m. Elect. Pwr 17 1634 m. Express 30 29 m. Gen. Inside. 5512 5412 m. Hoist & Dk 22 2114	Cox Broadcast'g 65	Hoover Univi Hoover Univi Hoover Univi Hormel Geo Hormel Geo Hospital Corp.	16 174 374 37 4612 463	NY State E NY Times. Newmont	AG 12	44 144 54 254 478 6518 118 118	Stin Railway Southland SW Bancshare Sperry Corp	6154 61 26 261 <sub>2</sub> 261 <sub>4</sub> 261 <sub>4</sub> 551 <sub>2</sub> 547 <sub>8</sub>	remained a depr market. Yesterd: U.S. subsidiary
m. Home Prod.   25%   2618 m. Medical Int.   36   35% m. Motors   8½   858	Crown Cork 277g     Crown Zeij 50       Cummins Eng 317g	28 Household Fin Houston Inds. Houston Nt Ga 2218 Houston Oil Mi	16½ 16¾ 26¾ 26¼ 2. 45¾ 46¾ n. 30¼ 3058	Niag, Moh Nielsen (Al NL Industr NLT	ics 4	978   2934 154   4014 838   2814	Sperry Corp Spring Mills Square D Squibb Std Brands	3478   2148 3478   3448	bank raised its 16 per cent fr analysts expected
m. Nat Resces. 50% 501 <sub>2</sub> m. Petifns 413; 407 <sub>8</sub> m. QuasarPat. 371 <sub>8</sub> 35%	UALMON *********   04	8578 Hudson Bay M 405a Hughes Tool	ng 2912 2978 6318 5912	Norfolk & Nth. Am. C	cai 4 Philips: 2	014   3018 312   46 912   29 314   5234	Std Brds Paint Std Oil Californ	227g 231g la 741g 695g 111 105	Another advers sharp fall in the
m. Standard 5478 5434 m. Stores 2736 2758 m. Tel. 4 Tel. 4918 5012 metek	Deare	6254 Humana 4454 Hunt (Philip A) 5519 Husky Oli 5536 Hutton (EF)	101 101	Nthn. Nat. Nthn. Stat Northgate Northrop.	EXP 1	96s 197s 15s 115s 3 513s 55s 255s	Std Oil Ohlo Stanley Wks Stauffer Chem Sterling Drug. Stavens (JP) Stokely Van K	TOBOG: TODOG	widely held corpor the U.S.
#fac	Dentsply Inti 1758   Detroit Edison 124	### Husty Oil	1314 1316 34 2316 3246 3214 1314 1316   2418 23	Nwest Airi Nwest Ban Nwest Ind Nwestn Mi Nwestn St	corp 2	312 2334 4 3359 678 634	Stevens (JP) Stokely Van K Storage Tech Sun Co	83 78	Trading in the American Telephorat \$481, down \$1
nstead inds	Digital Equip 7912	1158 ICI ADR	91 91	Norton Sin Occidenta	on 1	95g   395g 35g   135g 14,   29	Sunbeam	191 <sub>8</sub> 191 <sub>8</sub> 451 <sub>4</sub>	recent new low The company, of announced an
cher Daniels 3478 3334 mcc 30 30	Dienau (Wolth   46	163g INCO	581 <sub>2</sub> 584 <sub>8</sub> 521 <sub>8</sub> 521 <sub>8</sub> 721 <sub>2</sub> 721 <sub>2</sub>	Ogden Oglivy & M Ohio Ediso Okia, Nat.	ath 2 n 1 Gas 2	534   2384 312   1514 478   25	Superor OiL— Super Val. Stra Syntax————————————————————————————————————	3876 3836 4834 424 311 <sub>2</sub> 3154 324 31	quarterly dividend vious four years, has been increase
niand Oil   3878   364	Dow Chemical 39 Dow Jones 4934	4158 int. Harvester	334	Olin Omark Outboard I Overseas S	Marine 1/3	156   2019 8   3778 456   1456 619   3618	Tektronix Teledyne	615g 6134 1494 1507g	ary Board meeti pany has also free by rising interest
sd D Goods	Dresser	5634 Int.income Pro 5834 Int. Multifoods 1334 Int. Paper 1512 Int. Rectifier 1614 Int. Tel & Tel	164 164	Owens-Cor Owens Illin PHH Group PPG Inds	ning 22 1015 21	866 2856 618 2556 354 2416 154 3134	Texas Comm. Texas Eastern.	264   254	Major retailers Active K Mart 10 A block of 122,70
on Prods a448   9444		395 Irving Bank	341 <sub>2</sub> 341 <sub>8</sub> 241 <sub>2</sub>	Pabst Brev Pac. Gas & Pac. Light Pac. Lumb	ving 1 Elect 2	21g   121g 01a   203a	Texas Gas Tm. Texas Instrints	1011 <sub>2</sub> 1005 <sub>8</sub>	traded at \$201. Volume leader \$2 to \$515, but
ker Intl	Eastern Airlines 819 Eastern Gas & F. 235s	31g Jerrn-Phot 161g Jewei Cos 85g Jim Walter 221g Johns Manville	2518 2558 2734 2758 2734 2758	Pac Tel &	Γel   1	25g   125g 6   16 51g   55g	Texas Utilities Texasguif Textron Thomas Betts	495g 481g 285g 283g 4614 4634	lost \$1 to \$45 Standard \$4 to partners with Madiscovery off
nk America 2256 2278 nk of NY 3414 3312 nkers Tst. NY. 43 43 rry Wright 274 2614	Echlin Mfg	4814   Johnson Contr 2578   Johnson & Jns 171 <sub>2</sub>   Johnsthn Logs 2434   Jostens	724 7236 an 94 916	Pan Am Ai Pan Hand Parker Dri Parker Hau Peabody In	lling 4	656 4512 24 5259 876 2614	Tidewater Tiger Intl Time Inc Times Mirror	23 2234 53 5288 364 364	Closing prices
18ch & Lomb 3734 37 ct Tray Lab 40 3978 strice Foods 1958 1978 skman Instr 30 2934 seh Aircraft 6118 6118	Emerson Elect 3448	S556 Joy Mfg S14 K Mart 2532 Kaiser Alumin. Kaiser Inds	24 241g	Pennay JC Pennawait Pennzoil Peoples Er	5 ergy., 5	336   2358 256   3234 154   5378 012   51	Timken Tipperary Tonka Total Pet	22 2134 141 <sub>2</sub> 131 <sub>8</sub> 271 <sub>2</sub> 263 <sub>4</sub> 213 <sub>4</sub> 211 <sub>2</sub>	America were i
& Howell 2812 2778 dix 5134 5118 eficial 2059 2118	Engelhard MC 3512	Kalser Steel Kaneb Service Kaufman Brd Kay Corp Kay Corp Kellogg	5 28   265g	Pepsico Perkin-Em Petrie Stor Petrolane Pfizer		7 364	Tipperary Tonka	17% 17¼ 57% 57½ 24% 24% 15% 15%	CANADA
Steel	Envirotech 18 Esmark	131 <sub>8</sub> Kennecott Cp 521 <sub>2</sub> Kennametal, 291 <sub>8</sub> Kerr-McGes, 224, Kidde Walter	7238 7058 3538 3534	Pfizer Phelps Doc PhilaElec Philip Mon Philips Pe	t 5	414   4234 314   1338 434   8334 512   5618	Tri Continenta Triton Oil Gas.	1954   1956   21   21	Stock 20
k HR	Ex Cell 0	4678 Kimberly-Cik 5234 King's Dept. St 8714 Knight Rdr. No 13 Koehring	4278 4278 1134 1134 WS 2338 24	Pillsbury Pioneer Co Pitney-Boy Pittston	rp 4 res 3	319 3339 6 4318 614 3538 714 2718	20th Cent. For Tyler UAL UMC Inds	154   154	Abitibi
en	Federal Co 3714 Federal Mogul 16	Kraft	30 2958 444 44	Planning R Plassey Polaroid Potlatch Prentice-H	sch 3	712 714 012 3018 314 2338 518 3514	UNC Inds	224 2278 2618 2614 62 6218 4718 4512	Asbestos
gs Stratn	Fed. Dep. Stores. 234	94 Lanier Bus, Pro 834 Lear Siegler	304 I 304	Prentice-H Proctor Ga Pub. Serv. Pub. S. Ind	E&G. 1	214   7178 612   1612	Union Carbide UnionCommer Union Oil Cal- Union Pacific.	9454 9358	Bell Canada 19 Bow Valley 56 BP Canada 46 Brascan A 27
m Forman B 39 3858 m Grp 2558 2536 m & Sharp 2814 2879 mg-Ferris 1658 1614	Firestone	878 Leesona 5714 Lenox 1868 Levi Strauss	40 3934 2612 2612 36 3616	Puliman	§	14e   514e			Brinco 9 B.C. Forest 28 Cadillac Fairv 25 Camflow Mires 20 Can Cement 13 Can NW Lands 21
swick 141; 143; rus-Erie 211; 211; ington ind 177; 173;	1st City Bank Tex 39 1st Inti Banc 38	Levitz Furntr Libby Owens F 1958 Liggett Group. 173e Lilly (Ell)	d. 251 <sub>2</sub> 251 <sub>2</sub> 351 <sub>4</sub> 381 <sub>4</sub> 381 <sub>4</sub> 541 <sub>2</sub>	Purolator Quaker On Quanex Questor RCA	2	418 24	Utd Energy Re Utd Energy Re Uts Fideiry G. US Fitter. US Gypsum US Home US Inds. US Stoe US Streel US Surgical US Tobacco. US Trust.	153g   1478 32   3212 1558   1578 91g   914	Can Gement
ngton Nthn. 724 70 dy 3512 3534 nuchs. 7610 7512	1st Nat. Boston 3034 1st Penh 75g Fisons 68g Fleetwood Ent 84	756 Litton Inds	904   39	RTE	rina 1 ns	3 121 <sub>2</sub> 77 <sub>8</sub> 81 <sub>8</sub> 47 <sub>8</sub> 47 <sub>8</sub>	US Shoe US Steel US Surgical US Tobacco	1756 1758 2034 2034 3112 3134 3012 3014	Can Trusteo 21 Can imp Bank 25 Cdn inds 28 Cdn Pacific 47
52 514	Flexi-Van	Longs Drug Str 178 Louisians Land	IN DO-7   DO	Reading Be Redman In Recves Bro	ds 2	51g   7434 036   3876 956   9 918   2878	US Trust Utd Technolgs Utd Telecomπ Upjohn	487g 477g	Cdn Pacific Inv 46 Cdn Super Oil 220 Cdn Tire 27 Cherokee Res 143
pbell Tagg 24% 24% 16%	Foster Wheeler 29%   1 Foxboro 40½   4 Franklin Mint 9¼	1448 Lowenstein 1834 Lubrizoi 1034 Lucky Strs 9 MCA	5834 59 1434 15	Reliance G Republic S Rep of Tex	rp 7 teel   2	34   134 118   69 44   2418 64   2638	Varian Assocs	5212 5214 107s 105s	Chieftain 40:
Pacific	Freehauf	MackeMacke	9   87 <sub>8</sub> 157 <sub>8</sub>   161 <sub>8</sub>	Resch Coti Reserve Oi Resorts In	rell 1 Gas 5 I A 5	778   1818 478   3478 2   3218 414   8418	Virginia EP Vulcan Matris Walker (Hiram Wallace Murra Wal-Mart Store	103g 105g 364g 35 3334 3334 7 264 26	Constant Gas. 50 Coseka Res
ter Hawley 157g 1534 erpiliar 6534 6534 unesa Corp 451g 4514	GK Technologies 251g 3 Gambie-Skogmo 555g 3 Gannett 437g 4	Mfcrs Hanovar Mapeo	51 514 444 4534 68 554	Revere Con Revion Rexnord.		67- 1880	Warner Comm	s. 564 564	Daon Devel
tex	Gen Cinema	Mariey	20 2018 2314 2312 2314 2314 6514 8612	Revion Reviond Reviolds (I Reviolds & Rich-Merre Rite Ald Roadway E	His 5:	91 <sub>2</sub> 38 01 <sub>2</sub> 203 <sub>4</sub> 43 <sub>4</sub> 243 <sub>4</sub>	Warner Swase Washington Po Waste Mangt Wels Mkts	40   40	Dom Bridge
mp Home Bid 13g 13g mp Intl 255g 253g	Gen Exploration. 5	Maryland Cup	27 2612 2634 2614	Rochester Rockwell	Gas 1	21 <sub>9</sub> 12 61 <sub>9</sub> 565 <sub>8</sub>	W. Point Pepp Western Airline Westn. Bencon	35 3456 35 878 878 30 2954 50	Domtar 28 Falcon Nickel A. 13 Genstar 51 Gt-West Life 15
mp Sp Plug 978 10 rter Co 414 4014 se Mannhath 3718 3714 mical NY 394 3812	Gen Wills	Massey-Fergh. Mass Mut! Corp. Mattel	10 10 2 14 14 958 958 2318 234	Rohm & Ha Rollins Rolm		814   3858 018   2978 614   4614 058   1012	Westn. Nth.Am Westinghouse Westvaco Weyerhaeuser.	er 471g 451g 2414 241g 36 3431	Guif Canada
se Pond	Gen Signal 344 3 Gen Telep Elec 2678 2	Mayer (Oscar) . 143, Maytag 163, McCulloch Oil .	201 <sub>8</sub>   201 <sub>8</sub>   251 <sub>4</sub> ( 247 <sub>8</sub>   14   131 <sub>4</sub>	Roper Corr Rowan Royal Crow Royal Duto Rubberma	m 1	038 1012 934 4878 378 1418 812 8512 438 2458	Wheelsbratr F. Wheeling Pitts Whirlpoor White Consolts	58 38 291 <sub>9</sub> 211 <sub>9</sub> 177 <sub>8</sub> 171 <sub>2</sub>	Hudson Bay Mng.   34 Hudson's Bay 30 do. Oil & Gas 13'
innati Mil; 3378   3312	Genesco 4   Genuine Parts   325 <sub>9</sub>   2	4 McDonald's McDonnell Dou 21 <sub>2</sub> McDonough	4234 4238 g. 4512 4814	Russell Stv Ryan Home Ryder Syst	F	5   16 91 <sub>2</sub>   193 <sub>4</sub> 33 <sub>4</sub>   24	White Motor Whittaker Wickes	758 758 24 4 2354 1488 1454	Husky Oil
orp	Geosource	iOl4   McGraw-Hill 1414   McLean Trucks 1758   Mead	28   281 <sub>8</sub> 1- 11   11 253 <sub>8</sub>   251 <sub>4</sub>	SPS Techn Safeco Safeway SI St. Joe Min	ores 3	5   36 2   32 73 <sub>4</sub>   47	Winn-Dixie Str. Winnebago Wisc Elec Pow	2658 27 34 34 ar 20 195	inco
tt Peaby 9 9 Cola 333g 8314	Gillette 2212 2 Global Marine 5112 6 Goodrich (BF) 2038 2	Media Geni Mellon Nati Melville Memorex	2778   28 2712   2712 1631   17	St. Louis-Si St. Paul Co St. Regis P Santa Fe In	g 34 nper 34 nds 66	514   6418 134   3519 214   32 538   6414	Woolworth Wrigiey Wyly Xerox	751 <sub>2</sub> 745 <sub>4</sub> 71 <sub>4</sub> 71 <sub>4</sub> 533 <sub>8</sub> 833 <sub>4</sub>	Kalser Res
te Palm 123; 13   s Alkman 7:8   734	Gould	25g Mercantile Stri 21g Merck	674 6518 39 3812	Santa Fe ir Saul invest Saxon inde Schering F		734 778 536 656 534 556	Yellow Frt Sys Zapata Zenith Radio U.S. Trs 42 198	5512 5114 912 912	McIntyre Mines. 901 Meriand Explor. 251 Moore Corp. 361 Mountain State. 131 Nat. See Proda A. 151
	Indices								Noranda Mines 277 Norcen Energy 591 Nthn. Telecom 461
EW YORK-pow Jo		)   Since Cmpilt''n		Fei 2	b. Feb.	Feb Fe	b.	9-80   Low	Oakwood Pet 223 Omni 2.6 Pacific Copper 3,9 Pan can Petrol 78
Feb. Feb. Feb. Feb. Feb. 14	b. Feb. Feb.	ow High Low	AUSTRALIA Sydney All Ord. Metals &Minls (	(1988/69) 892	.54 898,83	905,17 910	1.72 947.47 (14/2/88)	545,72 (2/1/79)	Patino
lustr'is 686.35 876.02 884.38 885 e B'nds 66.61 67.40 68.18 66	7) (15/2/80) 1.57 88.16 68.54 (86.16 68.57 88.16 68.57 (15/8)	5.67   1051.70   41.22 (711)   (11/75)   (2/7/52) .61	AUSTRIA Gredit Aktien (2	/1/62) 60	.57 68.42	69.17 66	29 69.40 (7) 1/86)	61,58 (2/8)	Ranger Oil 311 Read Papar B Pf 131 Read Stanha A 83 Rio Algom 57
isport 290.08 254,86 287,20 290 Nes 110,32 188,64 111,26 112	(2 <i>) (8/2/60)</i> 185 173.46 112.92   113.46 98,	5.78   505.80   12.25 7/2)   (8/2/80) (8/7/32) 24   193.52   18.52 1/10) (20/4/80) (28/4/42)	BELGIUM Belgian SE (61/1) DENMARK	-	.54 103.66	<del>  -</del>		38,86 (8/1/79)	Royal Bank
dingVol 30's; 44,540 39,480 46,680 50, y's high 891,30 low 872,44	640 66,238 48,930	-	FRANCE GAC General (29	/12/81) 115		116.9 113		80,55 (21/2/80) 82.4 (15/2/79)	Shell Can A 361 Steel of Can A 305 Teck B 378
Ind. div. yield %	eb. 15   Feb. 8   Feb. 1 6,50   6,60   6,50	Year ago (approx	GERMANY FAZ-Aktien (51/1:	9/5R) 236	58) 988 1m	235,88 234	.74 295,98 (16/1/79	96.8 (3/1/88) 218.11 (21/1/80)	Texaco Canada 841 Thomson News A 151 Toronto Dom Bk. 263 Transcan Pipe 267
TANDARD AND POORS	! I I 1979-		Commerzbank() HOLLAND ANP-CBS Genera ANP-CBS Indust	<del></del>	1 85.2	85.2 84	.7 84,2 (24/1/78)	81.9 (21/1/80)	Trizec
20 19 15	132.41 184.47 135.85 184.47	Low High   Low   107.06 134.84 5.52	HONG KONG Hang Seng Bank		4   55,8		.8   85.9 (24/1/78)	496,83 (2/1/2/88)	Warrior Res 3.96 Westcoast Trans. 151 Weston (Geo) 273
mposite 118,48 114,88 115.41	(15/2/80) 118.72 118.44 117.90 118.44 (15/2/80)	(27/2) (11/1/73) (30/8/82 86, 15 125, 95 4,40 (27/2) (11/1/73) (1/8/82)	ITALY Banca Comm. II	<del></del>	-			486,86 (2/1/8) 88,58 (2/1/79)	AUSTRIA
div. yield % 4.	<del></del>	5,07	JAPAN Dow Average (10 Tokyo New SE (4				.60 8888.83 (14/2/80 .58 472.86 (14/2/80)		Feb. 21 Pric
P/E Ratio 8.0 g Gov. Bond Yield 11.8	35 11.88 11.16	8,98 8,98	NORWAY Oslo SE (1/1/72)	140	77 142,50	145.28 148.	.27 144,78 (14/2/80)	74.48 (18/1/79)	Greditanstalt
Y.S.E. ALL COMMON 1979- b. Feb. Feb. Feb.	80 Fe	and Falls b. 20 Feb. 19; Feb.15 919 1,934 1,885	SINGAPORE Straits Times (19 SOUTH AFRICA	168) 489.	45 481,98	485.26 (c)	485,26 (19/2/60)	348,34 (25/2/78)	Steyr Daimler 23 Veitscher Mag 55
0 19 16 14 High	Low Rises	868   346   367 564   1,241   1,160 387   347   368 47   20   13	SOUTH AFRICA Gold (1958) Industrial (1958)	(u)	529.9 501.8	548,8 547. 508,5 510.	.1 565.1 (11/2/60) .0 517.2 (14/2/68)	228,48 (17/4) 270,58 (2/1/78)	***
AND THE RESERVE OF THE PERSON	New Lows,	1979-80	SPAIN Madrid SE (29/12 SWEDEN	-	-			89.51 (15/1/88)	BELGIUM/LUXEMBO
<u>"Coril"</u>	ep. rop. rep.		Jacobson & P. (1	11680 277	ᇷᇕᄼᇎ	575 R7 570	58 481.34 (B/2/78)	1 151.57 (24.60)	Par 44   Faice

-1,000; the last named based on 1975. † Excluding

bonds. \$400 Industrials. \$400 Industrials plus 40 Utilities, 40 Financials and

ARBED.
Banq ind a Lux.
Bekaert B.
Ciment CBR.
Cockerill.

Cockarii
EBES
Dectrobel
Fabrique Nat
GB-Inno
GBL (Brux L)
Gevaert
Hoboken
Intercom
Kredjetbank
Pan Holding...3

294,00 (5/1/79)

SWITZERLAND Swiss Bank Cp. (61/12/56 516.7 \$16.1 \$16.2 \$15.7

WORLD Capital Intl. (1/1/70)

# Early Wall St. fall of 7.3

\$66.46, after falling to \$66.21. hile declines outpaced rises by three-to-two margin. Turnover mounted to 36.45m shares, gainst 30.05m at 1 p.m. on

mained a depressant for the market. Yesterday morning, a

Oil 1½ to CSSL.

J.S. subsidiary of an Israeli
sank raised its prime rate to
6 per cent from 15½, and
malysts expected major U.S.
and Ben Nevis wells. Shell
canada harber adverse factor was a
harp fall in the price of American Telephone stock the most an Telephone stock, the most ridely held corporate security in

idely held corporate securities U.S.

Trading in the shares of American Telephone was halted at \$48\frac{3}{5}\$, down \$1\frac{1}{2}\$, equalling a recent new low for the stock. The company, on Wednesday, announced an unchanged with Non-ferrous Metals, Oils and Trading Houses leading the way on profit-taking.

Declines finally outscored the First Market section the First Market section the First Market section. he company, on Wednesday, nnounced an unchanged uarterly dividend. In the preious four years, the dividend as been increased at the February Board meeting. The company has also been hurt recently by rising interest rates.

Major retailers were easier. ctive K Mart lost \$1 to \$19\frac{3}{2}. block of 122,700 shares were raded at \$201. Volume leader Gulf Oil rose volume leader Guir Oil rose 2 to \$51\frac{1}{2}, but Columbia Gas ost \$1 to \$45 and California tandard \$\frac{1}{2} to \$74. They are artners with Mobil in an oil iscovery off Newfoundland.

Closing prices for North America were not available for this edition.

Markets continued a broad advance in active early trading, with the Toronto Composite Index rising 14.3 to a record 2,139.7 at mid-day.

The Oil and Gas index climbed Analysts said the prospect of 93.1 to 4,914.9, as Hudson's Bay ontinued high inflation and oil rose 61 to C\$144. Tetal urther interest rate increases emained a depressant for the Oil ''A" 11 to C\$521 and Husky Oil 11 to C\$81.

Among Non-ferrous Metal issues, Down Mining fell Y24 to Y754 and Nippon Mining Y16 to

Steels closed mixed after a firm start, with Kawasaki Steel

DM 6.40.
Among Motors, Daimler Benz added DM 2.90 and Volkswagen DM 1.90, while Thyssen, in Steels, put on DM 3.20, and GHH, in Engineerings, DM 2.50, but Deutsche Baboock fell DM 7.90. On the Domestic Bond market, On the Domestic Bond market, Public Authority issues recorded fresh losses extending to 85 pfennigs. The Regulating Authorities bought a nominal DM 1.5m of paper after buying DM 21.9 on Wednesday. Mark Foreign Loans were sharply

test results from the Hilbernia and Ben Nevis wells. Shell canada, EP Canada and Aquitaine Canada were halted due to order imbalances. Golds put on 17.9 to 3.280.0 and Metals and Minerals 13.4 to 2.252.9.

Tokyo

The market had a mainly firm morningn session, but many stocks declined near the close, with Non-ferrous Metals, Oils and Trading Houses leading the way on profit-taking.

Declines finally outscored gains on the First Market section by 360 to 265, while the Nikkei-Dow Jones Average lost 29.50 to 6,776.51 and the Tokyo SE index 122 to 469.82. There was a large business volume of 580m shares, against Wednesday's 450m.

Nippon Oil receded Y40 to Y105. Among Non-ferrous Metals of A88.30, while the Options Among Non-ferrous Metals issues, Dowa Mining fell Y24 to 10seed at A87.50, up A\$1.10. The

renewed strength, rising 80 cents to A\$8.30, while the Options closed at A\$7.60, up A\$1.10. The company reported that its South African subsidiary had come to an agreement with the local branch of one of the major

WEDNESDAY'S RALLY on Wall
Street proved short-lived, stocks generally resuming the recent retreat in heavy trading yester-day morning, although there was a partial recovery around midsession.

The Dow Jones Industrial Average was a net 7.34 down at 879.52 at 1 p.m., after touching 876.62 at noon. The NYSE All Common Index recorded a decline of 15 cents on balance at \$66.21.

Mobil, which had yet to trade, ending Y3 up at Y145 but said electric logs of two new walls in the area had promising shows of hydrocarbons.

THE AMERICAN SE Market by strong Canadian Oil and Gas issues, rose 4.80 more to a record and at \$79.52 at 1 p.m., after touching shares (4.25m).

Canada

Markets continued a broad

Markets continued a broad

Markets continued a broad

Mobil, which had yet to trade, ending Y3 up at Y145 but said electric logs of two new Nisshin Steel Y6 down at Y173.

In generally weaker of is took prices higher for choice after wednesday's easier week provided the best features, Commerchank climbing DM 7.90, Deutsche Bank DM 5.20 and Dresdner Bank DM 6.40.

Average Was a net 7.34 down at Y173.

British mining houses over some diamond prospective areas.

In generally weaker of is weeks Petroleum lost 80 cents to weeks Petroleum lost 80 cents to weeks Petroleum lost 80 cents to whom after weeks Petroleum lost 80 cents to weeks Petroleum los

fairly active trading, with many recouping the previous day's losses. Randfonieln rose 150 cents to R71.00, Harmony 125 cents to R19.00, President Brand 100 cents to R39.00 and Ergo 20 cents to R7.80.

Mining Financials shadowed producers. Angles put on 30 cents to R13.70, while De Beers advanced 20 cents to R11.20. Platinums and Coppers were easier, however.

#### Hong Kong

undertone was significant in view of the fact that operators were squaring their month's accounts. They said investors were following Wall Street's lead overnight.

			<del></del>	_		·						lanian (in		<u> </u>	1.73
CANADA	L .		BELGIUM (cor			HOLLAND		ı	AUSTRALIA	Price	+or	JAPAN (contin	ueci <i>j</i>   Price	+ or	Sal
	Feb.	Feb.	Feb 21	Price Fra.	<del>-</del>	Feb. 21	Price Fis-	± or	Feb. 21	Aust. \$		Feb. 21	Yen		
Stock	20	19	Petrofina	6,160 5,650	+70 —60	ACF Holding	70	<del></del>	ANZ Group	4.85 1.05	-0.06	Makita	004	-10 -7	<b>a</b>
Abitibi	237 <sub>8</sub>	233 <sub>4</sub> 135 <sub>8</sub>	Royale Beige Soc Gen Banq Soc Gen Beige	2,700	-25	Ahold	75	-3.5 0.1	Alistaie Expl Ampoi Pet	1.15	-0.55 55,0	Maruda!	620	5 3	5.25
Alcan Alumn Algoma Steel	.' 681 <sub>9</sub>	68 371 <sub>2</sub>	Sof Gen Barge Sofray Traction Elect UCB Union Miniers Vieille Mont	3,340	-15 -110	Ahold AkZO	288	2.5	Assoc. Pulp Pap. Audimeo	0.37	+0.05 +0.02	Matsushita	710	<b>-6</b>	
Asbestos Bk Montreal	_/ 5b	35½ 25%	Traction Elect	2,560 2,560	-90 +20	AMRO	60.4	0.9	Aust Cons Ind	2.34 1.55	+0,81	M'bishi Bank M'bishi Corp	415	-10	i,
Bk Nova Scotia	.; 2514	26	Union Miniere	1,420	<del>-24</del> +24	Bredero Cert Bos Kalis	212 97	-2 -1.1	Aust Nat Inds	2,60	-0.08	M'bish) Elec	206	~**	
Basic Resources	-	164	Vieille Mont	1,765	<u></u> 30	AMEY AMEY Bredero Cert Bos Kalis Buehrmann-Tet - Caland Hidgs	61,9 26,4	5.0 S	Aust Paper Bamboo Creek Bank NSW	0.33	+0.91 -0.04	M'bishi Ri Est MHI	193	8	
Bell Canada Bow Valley BP Canada	1934	1978 551 <sub>2</sub>	DENMARK					-0.1	Blue Metal Bond Hidge	1.83	0,05		589 540	-1	10
Brascan A	.: 2718	483. 271g		1 1	_	Ennia Euro Com Tst			Boral	2.55	+0.05 +0.10	Mitsui Ri Est Mitsukothi NGK (nsulators	459 490	-2 _	
Brinco B.C. Forest	. 91 <u>9</u>	91g 281g	Feb 21	Price Kroner		Gîst. Brocades Heineken	67.5	+0.5	i pisturbies ince	المبعا				_9	-
Camflow Mines.	.' 203	236a 2014	Andelsbanken	133.00	-1	Hoogovens Hunter Douglas. Int-Mueller KLM	21.4	-0.5	BHP Brunswick Oil	13,43 6,20	,	Nippon Oil	485 1,860	5 40	
Can Cement Can NW Lands	.: 134	135 <sub>4</sub> 201a	Burm & Wain	68.25	+3 —1,50	int-Mueller	25, <b>0</b> 70,3	+0.1	Cariton & Utd	2.08	0.14 0.02	Nippon Shinpen. Nippon Steel	613 139	+2	
Can Packers Can Perm Mtg		3434	J Can Headalaket	177G E I		Naarden Nat Ned Cert Ned Cred Bank	16.5 118.2	-0.5 -2.5	Cluff Oil (Aust.) Do. Opts	0.34	+0.02 +0.01	Nippon Suisan	222 5 020	+2 -60	
		1778 22	D Sukkerfab Danské Bank East Asiatic Finanshanken	119,25	-0.50	Ned Cred Sank	56.2 231	-0.2 -3.5	Cockburn Camt. Coles (G.1.)	1.30	+0.01	Nissan Motor	722	-3	
Can imp Bank Can inds	1 281	254	Finansbanken Forenede Brygg.		+0.25	Ned Mid Bank Nedlloyd Oce Grinten	78,5 193	-8.2 -1	Consider	ו סייסו	+0.04	Nisshin Flour Nisshin Steel	175	-15 -6	
Later & California	. 71%	451 <sub>2</sub> 47	,		_0 +1 ·	OGEM Ommeren (Van).	15.7	_0,2 _1,9	(Containers	2,90		Nomura	. 323	-5 -8	BRIT
Cdn Pacific Inv. Can Super Oil Cdn Tire.	. 226 274	226 274	Forende Dampsk GNT Hidg Nord Kabal	1475	+1			ì	Conzine Riotin	3.20 1	-0,12 -0,05	LOIVINDUS	140	-5	1
Con Tire Cherokee Res	1438	14	Novo Ind Papirfabrikker Privatbanken Provinsbanken	235	+3	Pakhoed Philips Rijn-Scheide	31	-0.8	Crusader Oil	U.56	-0,05 -0,01	Orient Ploneer	1,990 558	+10	·   838
Chieftain Cominco	404	381g 711g	Privatbanken	124.00	-0.25	Robeco	177,5	+1	Elder Smith GM. Endeavour Res		÷0.01	Ranown Ricoh Sanyo Elec Sapporo Sekisul Prefab Sharp Shiseido	596 398	+1	7
Cons Bathet A	. 1824	1856 - 2934	1 SM(0th (FL)	1279.70	-0,25	Rolingo Rorento Royal Dutch	156,5	+1.5	Gen Prop Trust	0.86	+ 0.65	Sapporo	238	+8-	
Consumers' Gas Coseka Res	, 2738	2614	S Berendsen Superfos	103.75	-0.25	Royal Dutch	170,4	+4.8	Hamersley Hartogen Energy	4.25	<b>—0.</b> 10	Sharp	595	6 +4	
Costain Daon Devel	_: 6-Ն	85g 65g	] _			Slavenburg's Tokyo Pac Hg Unilevor	184.5		Hooker	1.16		SORY	1.070	_ <b>3</b> 0	1
Denison mines Dome Mines	. 80	45 781 <sub>2</sub>	FRANCE	•		Viking Res	94	0.5 +1.5	Jennings	1.00	-0.05	O'home Bletine	280		
Dome Petroleum	1, 814	781 <sub>2</sub>		11	_	Viking Res VMF-Stork VNU Volker-Stevin	34.0 84,2	-0.5 +0.2	Jimberiana Min Jones (D)	1.55	+0.15	Taihei Dengyo Taisei Gorp	700 219		
Dom Bridge Dom Foundries A	. 161 <sub>8</sub> 1:385 <sub>8</sub>	16 is 383	Feb. 21	Price	+_0"	Volker-Stevin West Utr Bank	58 291		Kia Ora Gold Lannard Oil MIM	0,37 1.80	*******	Taisho Pharm Takeda TDK	563 508	-3	1
Dom Foundries / Dom Stores Domtar	. 20 . 281	20 2819	Emprunt 4/2:1973	1,885	+84	,			Mim Moekatharra Ms.	5.60 3.10	+0.10	TDK	1,890	Bellion in	*
DomtarFalcon Nickel A. Genstar	.: 151	1324	Empered 79 1972	4 255	+25 29	•			Metramar Min Monarch Pet.	0.31	+0.61	Teijin Teikoku Oil		-10	7
Gt-West Life Guif Canada	. 180	150.	CNE 38	415 518	+5 -1	ITALY			Myer Emp Nat Bank	1.64 2.70	-0.01 -0.02	Tekio Marine	<b>624</b>	<del>-2</del>	gape a
Guiistream Res	.i Yag	. 8	Aquitaine	1,540	+39 +4	Feb. 21	Price	+ 01	News Nicholas Int	2.10 1.55	firmthi	Tokyo Elect.Pwr.	895 120		1
Hawk Sid. Can Hollinger Ags. A.	4512	17½ 46	BIC	542 L	-4		∐re		I North BKB Hill	3,68	-0,12	Tokyo Sanyo	590 200	9	Brazilia Pilipi
ludson Bay Mng.	.! 345g	341g	Bouygues BSN Gervais	1,030	+14	ANIC	9,50	-0.55 -720	Oakbridge Otter Expl	2.35 !	-0.05	Tokyo Corp	238.		Series .
tudson's Bay do. Oil & Gas	1371 <sub>2</sub> 791 <sub>4</sub>	1271	BSN Gervais Carrefour Club Mediter CGE	1,888 353	+78 +0,9	Assicur Gen Banca Com'le	12,75U	+5	Pancon Pan Pacific	0.18	-0.01	Tovo Saikan	427	& \$	LET'S
łusky Oil AG	: 101	104	CSF (Thomson)	356 542	_3   _3	Bastogi Fin	1,995	—13 —25	Pioneer Conc. Queen Marg't G.	3.23 0.45	-0,12	Toyota Motor Victor	1,110	+10	lan Jeografia
masco mp Oil	5012	443 <sub>4</sub>	Cie Bancaire	363 ;	_1 ]	Finsider	89,00 22,500		Reckitt & Coin Santos	7.80	·+0.70	Wacoal Yamaha Motor Yamazaki Yasuda Fira Yoko <sub>s</sub> awa Boga	865	<b>5</b> .	
nco ndajnterpr Pips	.  546a . <sub> </sub> 1314	345a 134	Cie Gen Eaux Coffmeg	159 :	_3	italsider	279	. +22 2.00	Sieigh (H.C.)	0.37	+0.01	Yasuda Fire	505 500	-8 +1	
			Creusot Loire	66.5	+0.5	Pirelli Co	1.638 l	<b>—32</b>	Spargos Expl Thos Natwide	0.57 2.40	0,85	Yoko <sub>b</sub> awa Boga.	-875	*******	1
(alser Res Aac, Bloedel	1 307a	304	DNEL	40	‡õ.8	Pirelli SpA Snia Viscosa	740 638	8 20	Tooheys Tooth	2.15 2.40	80.0	ANIG 1 300-	٠	<del>-</del>	A .
darks & Spencer Massey Ferg	115,	8 1134	Perodo	335 ,	+11	do. do. Priv.		4	Utah Mining Vallant Consdt	4.70 1.50	-0.20	SINGAPORE	٠.		`s.`_ ka
deintyre Mines Kerland Explor	2512	921 <sub>2</sub> 241 <sub>2</sub>	Gen. Occidental . Imetal	115 (	+6				Waitons. Western Mining	0.61	0.94 0.20	Febt 21	Price.	+ or	
doore Corp dountain State.	1312	3634 131 <sub>2</sub>	L'Oreal	727	+7	\		· ]	Woolworths	1.52 3.32		Boustead Blid	4.66	-0.84	
tat. Sea ProdaA. toranda Mines		143 <sub>4</sub> 288 <sub>8</sub>	Machines Bull	69.7	+23 +0.7	NORWAY			HONG KONG			Cold Storage	3.14 5.65	+0.15	
iorcen Energy ithn. Telecom	5914 4514	881 <sub>2</sub> 461 <sub>8</sub>	Matra	9.310 811	_120 _3	Feb. 21	Price	+ or	1	Price	· or ]	Fraser & Neave Haw Par	6,20 2,04	-0.82 0.82	or 14
tumac Oil & Gas	451-	4534	Moet-Hennessy	640   81.5	_0,5		Kroner			H.K. 8	<u> </u>	Inchcape Bho Malay Banking	2.46	0,08 0.05	
)mri	2234 2.60	214 2,55	Paribas	231 i	+4.9	Bergens Bank Borregaard	111 92,5	+1.5	Cheung Kong Casmo Prop	23,5 2,70	-0.49	MAIAY Braw	5.15	-0.18 -0.15	
acific Copper an can Petroi		4,10 764	Pechiney Pernod Ricard Perner	303 281		Creditbank	126.5 100		Cross Harbour Eastn Asia Nav	10.1	-0.20 -0.15	Pan Elect Sime Darby	1.77	-0.01	Li test.
atino lacer Dev	6712	5234 681 <sub>2</sub>	Peugeot-Cit Poclain	258 .	-4.0 +4	Kosmos Norsk Hydro	520 680		Hong Sen Bank	135	—×	Straits Trop	9.50 9.50	+0.96	· 2 1 . m
ower Corp Juebec Stryn		184 5½	Kaciotech[	505   ·	-0.6	Storebrand	135	_5	HK Kowloon Wh.	67 14.B	+1.	UOB	4,32	-0,06	1 1
anger Oll	311 <sub>2</sub> i	301 <sub>2</sub>	Redoute Rhone-Poulenc Roussel-Uclaf	431 136.5	+3				HK Shanghai BK. HK Telephone	23.50		SOUTH AFRICA		٠ .	
teed Paper B Pf leed Stenins A	85, 1	12 86s	Roussel-Uclaf St-Gobain	272 135,3	T 4.6	SWEDEN .		i	Hutchison Wpa Jardine Math	9.45 18.60	-0.45 -0.20	Feb. 21	Price	+ 07	:
io Algom loyal Bank	j 443 <sub>e</sub> j	574 441 <sub>2</sub>	St-Gobain Skis Rossignoi Suez Telemech Elect Thomson Brandt	1,030   283   3		Feb. 21	Price	+.07	New World Dev., O'seas Trust Bk.	4.60	-0.05		Rand	T=	
oyal Trustco A., ceptre Res	1434	135g 141g	Telemech Elect	830   . 231	+4.1		Kroner	<u>"  </u>	SHK Props Swire Pac A	19.80	-0.20 -0.10	Aberoom	5.10 6.75	÷0.16	
eagram heli Can A	55 5614	55 341e			_	AGA	180	+2	Wheel'k Mard A Wheel'k Mariti's	4.77 5.10	O AE [	Angle Am. Coi	IZ-70 )	-0.88 +0.85	4
teel of Gan A.,	3058	304 375	GERMANY		.	ASEA	75 69	+1	IAPAN	-11		Barlow Rand Buffels CNA invests	4.15	0,25 0,55	8
eck B exaco Canada	84 i	80 '	Feb. 21	Price Dm.	+_or	Bofors	160 135	+3	Feb. 21	Price	+ or	Currie Finance	1.65·  11.20.	70.9	
nomson News A oronto Dom Bk.	263(	141 <sub>2</sub>	AEG-Telef		-0.7	Electrolux	102	_1		Yea		East Dale	ᇚᇚᆡ	+0.50	N <sub>2</sub>
ranscan Pipe rans-Minth Ol A.	2678 1418	261s	Allianz Vers BASF	147.7   •	±õ.5	Esseite	150		Alinomoto	556 525	4 8	FS Geduid Gold Fields SA Highweid Steel	31.00 4 05	+0.50	10.
rizectd Siscoe Mines	28a   141 <sub>6</sub>	283 <sub>8</sub>	Bayer-Hypo Bayer-Hypo Bayer-Verein	1263   .	-0.2   +4	Fagersta	104 85	*********	Asahi Glass Bridgestone	355 530	J	Huletts	6,55	-0.35 +0.90	
falker (Hrm) farrior Res	393 <sub>5</sub> 3.95	385g 3,95	Bayer-Verein BHF-Bank	250   1 194.0   2	+4.5	Mo och Dom Saab-Scania	123 87	+2 +5.5	Canon	651 360		Nachank	S An -i	+0.05	
festcoast Trans. feston (Geo)	2734	15 lg 28	BMW Brown Boveri		<u>+</u> 1	Sandvik Skandia	238 238	+8	Daiei	970	+8	OX Bazaara Protea Hidge Rembrant	<u> 2.00</u>	C,85	L.
			Commerzbank!	186.4	+7.9	SKAR Enskilda	121 73,5	+1.0	DKBO	585 534	-1 l	Konnies	8.95 I	-0.66 -40.16	
TIETRIA		- 1	Conti Gummi Dalmier Benz	269.5		St.Kopparberg Sven Handelsbn.	189 61	+1	Dalwa House Dalwa Selko	318 290		Rust Plat Sage Hidgs SA Brews	3.50 8.50	+0.10	in Leis
LUSTRIA			Degussa Demag D'sche Babcock.	352   1 136	Ŧĭ ľ	Tandstik	86 84	+i.	Ebara		+10	SAPPI	6.50	0.02	الأن
Feb. 21	Price	+or			-1.5	Yolve	81	+0.8	Fuji Sank Fuji Film	421 610	-7 ·	SAPPI Smith CG Sugar Sores	1,50 1,80		Market A
	X		Deutsche Bank DU Schuft	151 1 -	+5.2 -8			· }	Fujisawa Fujitsu Fanug	835		Tiger Oate Unisec	LG XI I	=:********	արիսյ Խ
reditanstalt	336 336		Dresdner Bank Dyck Zement	139 -	+6.4 -0.5	SWITZERLAND		.	Green Cross	.650 520		Financial Ran		1.054	$rac{\operatorname{h}_{V_{\mathrm{reg}}}_{V_{\mathrm{reg}}}}{\operatorname{op}_{\mathrm{le}_{V_{\mathrm{reg}}}}}$
erimooser	272 109	77	GHHHapag Lloyd	72.0	+2,5	24411 <b>SERTWAR</b>		. 1	Helwa R Est	629	71	(Discount e	1449	6)	$\mathbf{t}_{\mathbf{q}_{\mathbf{r}}}$
emperit teyr Daimler	234		Hoechst I'		-0,3	Feb. 21		T∽ I	Hitachi	259 607	+2	• • • •		 : .	$^{6}\Lambda_{i_{1}i_{p}}$
eitscher Mag	<b>851</b>	<u>-2.</u>	Horzmann (P)	36.6 405	+0.5	<u> </u>	Fre.		Honda House Food	608 740	- <u>2</u>	BRAZIL			. 1
		I	Kali und Salz	134 -	0.5	Brown Boveri	1,350 1,875	T-0 1	Hoya	760 580	~~			·	i boy
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elgium/luxi	EMBOU	1	Kauthof	227,5		Credit Suisse	2,480 2,400	76	JACCS	1,570	-5 -10	Acesita	1.38	+0.07	
!	ا	ł	Kloeckner Krupp	66.8	+0.3	Fischer (Geo) Hoff-RochePt Cts 5	870	TY_ 1	Jusco	769 }	-14 +1	Banco Braeli	1,52	+0,18	1:5
Feb. 21	Price Fis.	+0	Linde Lufthansa	324	_1 ·	Hoff-Roche 1/10.	6.250	-25 -25	Kajima Kao Soap Kashiyama	395 520	-ī	Belgo Min	8.40 1.40	-0.08	
PRED	2,125	<u> </u>	MAN	198	-1	Jelmoli	5,525 1,410		RIKKOMBUL	413 )	+20	Petrobras PP	2.38 1.95	+0.01	
and ind a Lux ekaert B ment CBR ockerill	5,400 1.945			223   -	+3.5    +6.5	Landis & Gyr Nestie	1,480 3,640	+20	Kirin Kokuyo Komatsu	.120 543		SOUZA CTUZ	3.23	+0.65	400 to
ment CBR	1,098	+8	Metaligessell	279,0  610   .		Oer-Buhrie	2,900	+20	Komatsu Fitt	685 466	+5	Vale Rio Doge	4.18	+0.52	
ectrobel	5.700	60	Preussag Rhein West Elect	208			4,078	-25 i	Konishiroku Kubota	362		T'over Cr.480.7m. Source: Rio de	Vol. 1	67.1m.	Allian A
ibrique Nat		75 t	KOSARTRAI_ 1	262   -	z i:	Sandoz (Pt Cts) Schindler(Pt Cts)	250	#2	Kyoto Ceramic	1,760	-10 +10	course no de	vendiro	- JC	dudi.
B-inno BL (Brux L)			Siemens	277.5	+2,5  :	Swissair, Swiss Bank,,,,,,	795 424	<u>+2</u>	Maeda Cons	2.1.2	+8 {	Spanish prices	Pawa	T8.	31.5
oboken	3,130	_35 1	ThyssenVarta	158	+3,2	Swiss Reinsce Swiss Volksbk	6,025 1,970	+25	NOTES:—Price		this n	908 ATS ATS ALM	med a		Telepi
tercom rediotbank	5.980	-15	VenaVerain-West	275	+0.4	Union Bank	2,240	10	individual exchan suspended. xd E	DOZ BIN	lama.ម	est traded prices. C Ex scrip lesue.	≱ Da xx Ex	rights.	
in Holding	, voliter	+40	Volkswagen		1.0	Zurion ine 1		<del>50</del> "	xa Ex all.	:				3.	_0 _5
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#### **Forest** planting below target

By Our Commodities Staff

TREE plantings by the Forestry Commission fell well below target last year and further declines are expected over the

In its annual report, pub-lished yesterday, the Commission revealed that only 11.842 hectares of new plantations were established in 1978-79, 2,552 hectares below the budgetted programme. Restocking after felling amounted to only after felling amounted to only 3,567 hectares compared with a target of 3,971 hectares.

The hard winter of 1979 was partly responsible for this disappointing performance and the dry spring caused further prob-

But the main trouble was the inadequate area of land obtained for planting. "Only a limited amount of suitable land was coming on to the market and competition was keen. the report said. "This led to a further fall in the Commission's reserves of plantable land."

The Commission has revised its future programmes to take account of its falling land re-"Unless there is a dramatic improvement in the amount of land acquired, planting programmes will decline by about 1,000 hectares a year over the next few years," it said.

Earlier this week a special report published by Reading University's Centre for Agri-cultural Strategy called for mick and sustained action to improve UK forest yields and to plant new forests to avoid a sharp increase in the country's timber import bill, whi amounted to £2.37bn in 1978.

#### Liquid milk sales drop

UK liquid milk sales last month totalled 538.3m litres, 1.9 per cent less than in January 1979, according to figures published yesterday by the Milk Marketing Board. This figure suggests that the gradual recovery in milk consumption following the 3 per setback which followed last June's 14p a pint price rise has now been halted. In December milk sales were only 1.5 per cent down on a year earlier.

With another 14p added to the retail milk price this month, a further cutback in consumption seems inevitable.

# Larger cocoa surplus forecast

BY JOHN EDWARDS, COMMODITIES EDITOR

PREDICTED surplus of cocoa in the 1979/80 season is raised to 117,000 tonnes in the latest market report issued today by London brokers, Gill and Duffus, This compares with its forecast in December of a surplus amounting to 75,000 tonnes.

The sharp increase in the surplus of suppliers is attri-buted to higher production expected in the Ivory Coast, Nigeria and Ecuador. The report notes that this will be the third season in succession of surplus, and claims that the "sheer tonnage of cocoa added to world stocks over three seasons, some 290 tonnes, should lead to lower prices."

The report adds that forward sales from the four main West African producing countries are far less than at the same date in previous seasons. In the Ivory Coast the cocoa is well store and in strong economic hands, but nevertheless the substantial tonnage involved is a burden that cannot be shouldered indefinitely, the

sumption, the report says that demand for cocoa butter seems considerably to exceed powder usage. As a result cocoa butter prices are very high and there is little sign of a revival in powder demand to increase values and reduce butter costs. At the same time high and erractic sugar prices are likely to inhibit cocoa consumption, particularly in cocoa-powder

using products.

The revised supply-demand figures predict a record world crop of 1,577,000 tonnes. This compares with the December forecast of 1,536,000 tonnes and exceeds the previous peak of 1,549.000 in 1974-75,

Ivory Coast output is put at 320,000 tonnes, Ghana at 300,000 and Nigeria at 175,000 tonnes This lifts total African production to 969,000 tonnes compared with Central and South American output of 500,000 tonnes. including 297,000 tonnes from Brazil, slightly up on the December forecast, but well below the record 314,000 tonnes in 1978/79. Estimated world eport says. grindings are left much the Taking a closer look at consame at 1,452,000 tonnes.

# Sell milk in schools, Commons urged

BY RICHARD MOONEY

BRITAIN could make fuller use of EEC funds to subsidise the would prefer to see dairy sale of cheap milk to school- farmers' returns improved by children, Mr. John Owens, an increase in the price they director-general of the Dairy received for manufacturing Trade Federation told the House milk rather than a further rise of Commons agriculture select committee yesterday.

At present, he said, the Ministry of Education provided milk free to children between five and seven years old at a cost to the Exchequer of £15m a sumption, which was already year with a £1 for £1 EEC subsumption which was already falling by 2 per cent a year.

But he warned that the higher

But if the arrangements were changed so that the Ministry of Agriculture sold milk at a 2p a pint discount to all school-children (up to the age of 19) an 8p a pint subsidy could be obtained from Common Market funds. A similar level of aid could be claimed for milk products, such as cheese and vogurt, incorporated into school meals. Mr. Owens said this plan consumption at no extra cost.

He also told the committee he in the liquid milk price. The premium for liquid milk is currently 2p a litre.

He also noted that a further milk price rise would lead to an even sharper decline in con-

manufacturing milk price could only be achieved if importers' prices were raised. The current system allowed them to ship cheese and butter into Britain at prices which undercut domestic supplies, Mr. Owens claimed. The main culprit was New Zealand whose price was adjusted to enable it to sell its guaranteed tonnage. As a result it had secured a 52 could add 90m litres to UK milk per cent share of the UK packet butter market.

#### **Markets** rally sharply

By Our Commodities Editor

COMMODITY markets rallied yesterday after the sharp losses suffered earlier this week. Buying interest, both from the trade and speculators "bargain bunting" was attracted at the lower levels in what were considered to be oversold markets.

World sugar values, for example, jumped sharply. The May position on the futures market, which reached a low of £235 at one stage yesterday, recovered to a high at £272 before easing back to close at

£265,875 a tonne.

The spot price of R.S.S.

No. I natural rubber rose by 5p to 75p a kilo, after falling 9p on Wednesday, but is still well below the peak of 90p reached last week.

Base metals followed the upward trend in gold and silver although coming under selling pressure again in late trading. Copper cash wirebars closed £22 up at £1,237 a tonne, still over £90 down on the week. There were rises in other metals too, and in Penang the Straits tin price overnight reached a record \$M2,301 a picul, np \$M51, following a squeeze on avail-able supplies.

#### **Brazil offers** European coffee deal

COPENHAGEN - The Brazilian Coffee Institute has Scandinavian and West Epropean roasters to negotiations next week on sales for 1980.

Steen Jensen, director of Danish coffee importers, Karal, said the negotiations will concentrate on a new Brazilian marketing system almed at bringing Brazilian coffee prices down to competitive prices.

Brazil has been effectively excluding itself from the international coffee market by maintaining unrealistically high prices, Jensen said.

To try to redress the problem, it wants to tie its sales to a price system based on Euctuating International Coffee Organisation indicator

Based on current levels, the indicator would give a de facto rebate of \$34 per 50 kilos f.o.h. helow Brazil's export registration price, but this would change with daily market movements.

#### FACTORY FARMING

# The facts and the emotion

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

AMONG THE resolutions de- to imports from other EEC bated at the NFU Annual members who have no restricmembers who have no restric-General Meeting last week were tions on their housing systems. several deploring the public agitation against different forms This is a valid point, to be borne in mind by those who seek to outlaw hen batteries. of intensive livestock farming or what might, for simplicity's sake, be called factory farming. Are they prepared to pay more for their eggs by refusing the importation of battery produced

This is a most emotive term, but there is really no reason why it should be seen as particularly reprehensible. After all, a large proportion of the numan race is occupied in fac-

tories of one sort and another, for most of their lives.

Those who oppose these methods single out three particular systems for according to the control of ticular systems for special con-demnation. Battery laying hens, alf boxes, in which they cannot turn round, and sow stalls, in which the animals are also confined so that they can't move about.

I have seen many examples of

all three, and to me far the most disquieting are the battery cages. It does seem wrong to confine five or six birds in a spread their wings. To make them stand on wire, instead of allowing them to scratch, while at the same time they rub their neck feathers off on the wires. But I must also say that I have never seen any battery birds that I have visited in any way distressed or demonstrably

tive faculties. The so-called iron maiden When asked why they don't which controls them when go in for a deep litter or yard-farrowing is really a device to ing system for laying hens, stop them crushing their piglets farmers will say that if they when they have just farrowed did their costs would rise and

box, so called, seems to have been discarded. Whether the pigs are any more contented in the hygienic looking dry pens in which most of them now live with the muck drained away through slats, there is no way of telling.

I was at one time a sleeping A sow stall system of some partner in a veal call fattening sort is necessary to ensure that unit. In this case we did keep

Mr. Alan Jackson, deputy president of the NFU, has urged farmers to take a more positive approach to animal welfare in the face of intensified activities of the animal welfare lobby. "Farmers do not wilfully mistreat their livestock and it would not be in their interests to do so.

each sow gets its fair share of the calves in pens in which they the fed, but it need not confine could turn around and they laid them all the time. Pigs are on straw which was available, clean creatures, and a combina- I insisted on this, as I could not tion of stalls and a small exer- accept the single stalls with no cise yard or dunging place is room to turn that I had seen cage so closely that they cannot not too difficult to arrange.

Spread their wings. To make Although it does occupy more where the sows dung into a drain

at the back. But pigs like to wallow, particularly in hot weather, and the loosely kept sows will often plaster themselves in their own muck. Those tied up will suffering. They appear to always look very clean, but produce eggs in abdundance, so whether they are any happier I always look very clean, but whatever stress the system don't know. But many I have causes the birds, it does not seen look quiet and contented seem to affect their reproduc- and they can't fight.

-a very common loss in other they would become vulnerable systems.

on the Continent, particularly in Italy.

The reason for denying yeal

calves straw stems partly from the fact that if they eat some it colours the desh. But straw bedding is becoming outmoded in many intensive livestock systems, mainly because it interferes with the effective disposal of slurry, and of course it is an extra expense. Are the straw-less animals

any less comfortable than those with straw? Again I must say that where the management is good they seem to be comfortable and productive.

There are certain other constraints on domestic animals, not allow competition from The males have traditionally countries where these standards always been castrated unless are not enforced.

For fattening pigs the sweat needed for breeding and a great many calves are dehorned, to prevent cattle injuring them-

selves when fighting . Most of these operations take place soon after birth. But even this is changing. An increasing proportion of pigs are accepted by the butchers as entire for the pork trade. There is no real reason why any pig which has to live no longer than six months should be castrated. Lambs still have to be so treated but the modern method of clienting a rubber sing over of slipping a rubber ring over the scrotum appears to occasion them no more than a minute's

All the above practices are a part of what is the exploitation of animals by man. But at the same time there is no doubt that the animals would not be so exploited if there wasn't a demand for their products. The intensification of livestock husbandry has been simply due to an increasing demand for supplies at lower prices than would have been possible under the older systems.

And were these older systems so very much better for the animals? My memories of live-stock since I began farming 50 years ago is that standards of animal health and productivity have improved immeasurably and so has the awareness of farmers as to their importance.

But there is still the problem of ethics. This is still a free country, and there is no obstacle at all to those who feel disturbed about various systems of modern farming from agitating to have them changed. But if they do succeed in their aims, they should in fairness

# Phosphate report on Christmas I.

BY PATRICIA NEWBY IN CANBERRA

AN AUSTRALIAN Government commission of inquiry has assessed that there are sufficient mineable reserves of phosphate rock at the Australian Indian Christmas Island as out-moded, Ocean territory of Christmas discredited and repugnant, and Island to ensure a life of eight

mining and marketing of phos-

minimum wage of approximately A\$124 (£62) a week. The commission's report described the administration of

laid the blame on the govern-The inquiry, which was established earlier this year to assess
the economic viability of the

rate that the diameter of the Wisher and Australia which are the shareholders of the British
Phosphate Commissioners.

An annual shipping target of phate rock from the island, has 1.4m tonnes of rock for New recommended that workers on Zealand and Australian manuthe island be paid the Australian facturers is recommended and

150,000 tonnes for Malaysia to be crushed for bagged dust, Assuming the Australian minimum wage will be paid to workers, the inquiry believes the island can retain its competitive edge at roughly A\$54 to A\$65 a tonne compared with Florida rock at A\$74 to

A\$76 a tonne. The Christmas Island workers have been offered a rise of A\$30 a week to bring them to Australian mainland parity, but they are seeking A\$35.

#### Walker reacts to lamb war decision

Agriculture Mınister Mr. Peter Walker vesterday expressed "surprise and disappointment" at the latest refusal by the EEC Commission to take action against France over the lamb war. The Commission met in

Brussels on Wednesday and was under pressure from the British Government to take France before the European Court again for continuing to flout its five-month-old ruling that its ban on UK imports of lamb is illegal.

#### **BRITISH COMMODITY MARKETS**

BASE METALS

CPPPER Religed on the London Metal Exchange. The initial strength of precious metals and other commodities precious metals and other commodities prompted good buying of forward metal which climbed to £1,260 on the premarket and further shead to £1,265 during the second morning ring followduring the second morning ring lollow-ing heavy buying from one influential source. In the afternoon a strong open-ing on Comex pushed forward metal in London alread to ET 270. However, the lend strength sizable profits taking and with Comex easing back the price dioped to close the late keth

COPPER Official — Unofficial — £ £ £ 1235-7 +18,5 1236-8 1255-7 +21,5 1256-7 1237 +19 — 1183-5 +18 1186-90 +21 1820-2 +25 1221-2 +24.5 138-46

three months £1,222. Kerb: Wirebers, three months £1,252. 55, 54, 53, 46, 47, 48, 49, 48, 47, 48, 47, 48, 47. qs. qs. qs. qs. qs. qs. qs. qs. qs. TIN-Up again following a sharp use in Penang. Forward metal opened higher at £7.670 but fell back to £7.600 on the morning kerb owing to profutaking, hedge selling and a lack of

TIN Official - Unofficial -High Grade £ £ £ £ £ Cash...... 7520-30 +80 7520-30 +30 3 months 7630-50 +80 7610-30 +30 Standard 
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Morning: Standard, cash 457,530, 20, three months £7,650, 60, 70, 50, 40, Kerb: Standard, three months £7,630. Afternoon: Standard cash £7,530, three months £7,610, 7,600, 05, 10, Ke Stendard, three months £7,620, 30. Stendard, three months £7,620, 30.

Lead—Firmer but wall below the day's highest levels. Forward metal traded around £492 on the pre-market and picked up to touch £500 in the morning rings and on the kerb reflecting the strength of copper. However, in the strengon selling on U.S. account, stop-los selling and the absence of any significant fresh buying saw the price fall back to close the lets kerb at £487. Turnover 12,475 tonnes. Amalgamated Matel Trading reported

Cash....... 516-6 3 months 501-2 8 ment .... 516 U.S. Spot. —

Morning: Cash £504, 6, 8, 10, 12, 13, 15, 16 three months £494, 95, 84, 84,5.

August Sugar 269.25-271.25 LG. Index Limited 01-351 3466

29 Lamont Road, London SW10 9HS.

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CORAL INDEX: Close 454-459 (unchanged)

taken over where Dieft off **36.** 8. 8. 8. On February 8th, CAL's newest client bulletin "Direct from the Dealers", once more correctly forecast the recent staggering increase in copper prices. : 28 3 8 8 If you want the latest views on copper, gold or other metals and commodities, telephone Mark Etherington or Gerald Stagg on 01-236 5211 or Nikolaus von Kegi on Dusseldorf 84331. DON'T MAKE A MOVE BEFORE £1200 HEARING OUR LATEST VIEW. Commodity Analysis Ltd., 37-39 St. Andrew's Hill, London, EC4V 5DD. or , 58 Konigsallee, 4000 Dusseldorf 1.

I am also interested in receiving "Direct from the Dealers" on a trial basis, free of charge. Address ... Telephone.

follow-through from the previous day in the atternoon, however, influential buying from one quarter more than offset U.S. selling and the market picked up to close the late kerb at Three months L488, S6. 87, 86. 97, 500, 01. Interest from consumers, reports Gill kerb: Three months L501, 500, Alternoon Three months L501, 500, Alternoon Three months L501, 500, 499 98, 97 offset U.S. selling and the market picked up to close the late kerb at Three months L488, S6. 87, Kerb: COCOA Close | Done Done wed speculative interest prompted

renewed speculative interest prompted by the gains in other commodities. Forward metal traded at £395 on the pre-market and held steady around that level for most of the morning. In the afternoon, however, speculative buying came into the market and pushed the price up to a day's high of £404 on the kerb before profit-taking pared the quotation to around £396 at the closs. Turnover 12,175 tonnes. ZINC Official - Unofficial -

Cash ... 588.5-9.5 + 14 590.2 + 20 5 months 597.5 + 11.7 402.5 + 21.2 5 month 589.5 + 15.5 - 57.5 .... Morning: Cash £389, three months £396, 95, 96, 97, 98, Kerb: Three months £395, 96, Attermoon: Three months £399, 400, 01.5, 400, 01, 02, 400, 01. 01.5, 1, 400, 1, 2. Kerb: Three months £401, 2, 3, 4, 4.5, 5, 4, 3, 2, 400, 338,

ALUMINIUM—Gained ground along with other metals. Forward metal moved ahead strongly to touch 1948 during the morning but met chartist selling at this level which pared the price to around 1942 at the close of the efternoon Ferb. Turnover 14.100 tonnes. Atumin'm official to Unoffic'l 
Morning: Cash £936, 37, three months £943, 44, 45, 46, 47, 48, 47.5, 47. Kerb: Three months £946, 47. Alternoon: Three months £948, 49, 48, 45, 46. Kerb: Three months £946, 45, 44, 45, 46.

NICKS:—Marginally 8mmer in quiet trading. Forward metal opened around £3,160 and edged up to £3,180 before easing to close the late kerb at £3,155. Turnover 696 tonnes. NICKEL a.m. + or p.m. + or Official - Unofficial -

Spot ...... 3010-30 + 60 3040-60 + 40 + 3136-45 + 55 3160-5 + 25 Morning: Three months £3,150, 60, 80, 50, 40, 45, 40, Kerb: Three months £3,150. Alternoon: Three months £3,180, 60, 55, 60, 65, Kerb. Three months £3165, 60, 55.

\*\*Cents per pound. ‡ \$M per picul. † On previous unofficial close.

LME—Turnover 292 (375) lots of 10,000 ozs. Morning: cash 1480, 32, 75, three months 1480, 85, 80, 90, 95, 90, 1500, 1495. Kerbs: three months 1500, 10. Alternoon: three months 1520, 1500, 10, 20, 1500, 20, 30, 20, 15, 20. Kerbs: three months 1510, 7500

SILVER Bullion + or L.M.E. | -per fixing - p.m.
troy oz. price Unoffici'l 800t..... 1455,30p+148 1500,0p 1940 3 months 1477,0p +181 1517,0p+142 6 months 1484,0p +184 1517,0p+142 12 months 1484,0p +187 1517,0p+142

Silver was fixed £1,4835 an ounce Silver was fixed £1.4835 an ounce higher for spot delivery in the London bullion market yearerday, at £13.653, U.S. cent equivalents of the fixing levels were: spot \$33.5, up \$3.5; transith \$33.617, up \$3.56; and 12-month \$33.641, up \$3.624, The metal opened at £14.25-14.70 (\$32-33-2) and closed at £14.75-15.10 (\$33.75-34.5).

COCOA

Futures today drifted rather aimlessly on a steady note a little higher than Wadnesday evening. Physicals were a much more quiet effor today with pro-ducers still aidelined and only light

March... 1392 400 -4.5 1407.1393
May... 1426-28 +5.5 1430.12
July... 1446-48 +3.5 1448-33
Sep... 1456-57 +7.0 1456-54
Dec... 1497.505 -8.0 1501.1487
March... 1515-30 +8.5 1520.13
May... 1535-50 +10.0 1543 Sales: 2,433 (3,369) lots of 10 tonnes. International Cocos Organisation (U.S. cents per pound): Daily price Feb. 20 144.15 (144.91): Indicator price Feb. 21. 15-day average 149.09 (149.32): Feb. 21. 15-day average 149.09 (1 22-day average 147.59 (147.52).

COFFEE

With no fresh lundamental news robustas opened £4.£6 higher but soon robustas opened (4-to higher but soon eased back under trade selling pressure mainly in nearby March during a leatureless and thin trading session. The afternoon followed a similar trend of late with values consolidating in a very narrow range and a light volume. Towards the close and a light volume. Towards the close and tradition operations personal commendations of the commendation of the commendation operations on the commendation of the late activity into an otherwise day, reports Drexel Burnham Lar

FFEE Close + or E COFFEE March | 1494-98 6.5 | 1501-89 | 1537-38 + 5.0 | 1539-31 | July | 1550-61 + 3.0 | 1564-52 | Sept | 1585-86 - 6.0 | 1587-76 | Nov | 1593-95 + 10.0 | 1595-82 | January | 1575-00 + 10.5 | 1585 | March | 1560-95 + 10.0 |

\$6es: 4.008 (4.479) lots of 5 tonnes. ICS Indicator prices for Feb. 20 (cents per pound). Other Mild Arabicas 63.83 (163.50). Robustas ICA 1976 180.75 (159.00). ICA 1968 161.00 (195.25). Unwashed Arabicas 187.00 (185.00). Comp. delly ICA 1968 173.97 (172.35).

GRAINS

LONDON GRAIN FUTURES—The marker opened higher. Barley found our-stending country and shipper interest and good demand was noted, although there was strong profit-taking and pre-tender liquidation. A steady tob martender liquidation A steady tob mar-het meant there was always steady shipper interest and the marts closed firm. Old crop wheat was steady. Naw crops finished firm between 50-50 points higher with strong tob interest initiating shipper support for September-November barley, reports Acti.

BARLEY WHEAT Yest'rdays + or M nth close : --Mar. 95.45 +0.30 95.35 +0.80 May. 100,15 +0.35 99.85 +0.85 Sept. 95.70 +0.55 92.40 +0.55 Nov. 99.70 +0.50 101.45 +0.50 Jan... 103.70 +0.60 101.45 +0.60 Business done—Wheat: March 95.80-95.30, May 100.45-100.05, Sept. 95.45-55.25, Nov. 89.50-99.45, Jan. no trade, Sales, 453 lots of 100 ronnes, Barley, March 95.55-95.00, May 100.05-99.30, Sapt. 93.20-93.10, Nov. 97.10-97.15, Jan. 101.00-101.00, Sales, 643 lots of 100

IMPORTED — Wheat: U.S. Dark Northern Spring No. 2 14 per cent Feb. 8. March 98 50, April/May 95, tranship-nent east coast. U.S. Hard Winter 134-ter cent Feb. 93.75, Merch 94.75 ranshipment east coast. Malze: U.S./ per cent Feb. 93.75. Merch 94.75 transhipment east coast. Makes: U.S./ French Feb. 105.25. Merch 117 transhipment east coast. Barley: English Feed fob Feb. 100.50. Merch 102.00. April 104.00. April June 105.00 east coast sellers. Merch 107.50 paid east coast. Rest enquoted.

HGCA — Locational ex-larm spot prices. Feed—Berley: S. East 94.60, S. West 96.10, W. Midlends 98.00, N. West 94.28.

The London physical market opened casie: with fair interest at lower levels, closing slightly steedier. Lowic and Peat reported a Malayaian godom price of 354 nom cents a kg (buyer, March).

Sales: 1.496 (2,248) at 15 tonnes. Physical closing prices (buyer) ware: Spot 75.00p (10.00p); March 77.50p (74.00p); April 79.50p (76.00p).

SOYABEAN MEAL The London market opened 30p easier on light commission house selling, reports T. G. Roddick, and remained quiet for the rest of the day easing slightly further on final call to close 50p down.

est'rd'y +or Business Close - Done 

SUGAR LONDON DAILY PRICE (raw sugar):

LONDON DAILY PRICE (raw sugar): £231.00 (£225.00) a tonne cif for Feb.March-April shipment. White sugar
daily price was £255.00 (£240.00).

Daspite the failure of Colombia to
sell yesterday the market opened
higher with May \$254 and August/
October both bid at the limit advance.
In the altermon prices gained ground
with May touching \$272.00 and August
\$275 before New York quotations
\$275 before New York quotations
\$275 before September 1 cent limit up
after which losses of some £5-£6
occurred, reports C. Czamikow. 2 per tonne

Salas: 10,533 (11,954) lots of 50

tonnes.

NUMBER 4 CONTRACT---Close (in order buyer, seller only). May 289.00, 270.00; Aug. 270.00, 274.00; Oct. 276.00, 278.00; Jan. 276.00, 276.00, May 270.00, 278.00.

Selley 328 (199). 270.00, 278.00. May 270.00, 278.00. Salas 128 (108).

Tete and Lyle ex-refinery price for granulated basis white sugar was 218.70 (same) a tonne for home trade and £334.00 (£306.00) for export. International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for Fabruary 20: Daily price 21.66 (22.03). 15-day average 23.12 (23.01).

LIVERPOOL—No spot or shipment sales were recorded for the second day running, feaving the total for the week so far at 375 Lonnes. Few contracts were under consideration and the obscure outlook deterred users from extending commitments. Attention was cannal on American-type qualities, **WOOL FUTURES** 

COTTON

LONDON NEW ZEALAND CROSS-BREDS—Closs (in order buyer, seller, business, seles). New Zealand cants business, galas). New Zealand cants per kilo. May 402, 403, 402-400, 14; Aug. 412, 414, 414-410, 17; Oct. 416, 417, 418-417, 8; Doc. 416, 420, 419, 15; Jan. 417, 420, 439, 2; March 422, 425, 422, 3; May 427, 428, 427-422, 5; Aug. 429, 430, 429-427, 46. Sales. 110. SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cants per pound. March 470.0, 471.0, 473.0-489.0, 61; May 485.0, 487.0, 493.0-485.0, 205; July 514.0, 515.0; PRICE CHANGES in tonnes unless otherwise stated.

Feb. 20 + or Month 1980 - ago Metals Wetale Aluminium ..... £810/815 ... £770/810 Free Mkt (es) \$2180/2200 ..... . \$1850/195 

Platin'mtr'y oz £189.0 ......£189 Free mkt.... £384.70 +7.25.£355.10 Quicksii'vert... £390;400.-10 \$480;418 Silver troy oz ...1465,38p; 148,5 182;p 3 months ... 1477p +151,1 1780,58p 

011s Coconut (Phil) \$835: +75 8920 roundnut ...... nseed Crude, £446 alm Malayan, \$670 ......\$418: Sales: 49 (43) lots of 100 tonnes. Grains Barley Futures £99.85 -0.85£100.95 Maize ......£117 French NoSAM £116,25 ......£117 Wheat No, 1 Red Spg. No2HardWint,£93,75 |-0.5£294 Eng, Millingt...

Other commodities

Cocca ship.t....£1,450 -5 £1,505

Future May. £1,427 +5.5 £1,344

Coffee Ft TMay £1,537.5 +5 £1,57.5

Cotton A.Index 95,35c\* ...... 89,45c

Rubber (Kilo)....75p +5 80,25p

Sugar (Raw)... £231 +6 £210

Wooltp's 64s kl/297p kilo +2 £200pkilo r March. s Juns. v Feb.-March. t March-April, u April. w May. x July. z Indicator. § Buyer. f Per 76 fb flask.

\$17.0-514.0, 386; Oct. 512.0, 512.5, 515.5-512.0, 143; Dec. 512.0, 512.5, 515.0-512.0, 78; Merch 514.0, 515.0, 514.0-512.0, 38; May 514.0, 515.0, 513.6-512.0, 38; July 516.0, 520.0, 520.0-615.0, 12. Sales: \$58.

BRADFORD WOOL—Business was varied, but never very good, market sources said. There was some anguiry, however and deliveries moved off well. Prices were firmer where tested, helped by doubts about the Australian doubts about the Australian

# HIDES—Manchester: waak. Second clears. Ox 31-35.5 kilos, 40.3p a kilo (40.0p a kilo); 28-30.5 kilos, 46.1p a kilo withdrawn (49.0p); 22-25.5 kilos, 58.1p (58.1p a kilo withdrawn). Light cows 54.5p (56.0p).

GRIMSBY FISH — Supply good. demand fair. Prices at ship's side (unprocessed) per stone: Shell cod 63.30-64.50, codings 53.00-63.80. Large heddock £4.00-£4.40, medium £3.20-63.80. Shall £2.20-£2.70. Large plaice 13.40-£3.70, medium £3.00-£5.00, best small £3.00-£3.30. Skinned dogfish (medium) £3.60. Lamon soles £9.50. Salthe £2.20-£2.60. MEAT/VEGETABLES MEAT COMMISSION—Average fat-stock prices at representative markets on February 21: GB Cattle 79.01p per kg liveweight (~1.31); UK Sheap 154.8p per kg eat dow (+8.3); GB Ptgs 63.5p per kg liveweight (~3.2).

SMITHFIELD—Pence per pound.
Beel: Scotch killed sides 64.0 to 68.0;
Eire hindquarters 66.0 to 72.0, fore-quarters 46.0 to 49.0. Veal: English fats 74.0 to 63.0; Dutch hinds and ends 98.0 to 104.0. Lamb: English small 64.0 to 64.0, medium 50.0 to 64.0, heavy 46.0 to 58.0; Scotch medium 46.0 to

american markets NEW YORK. February 21.

GOLD REMAINED volotile. closing lower on commission house liquidation and local selling. Silver recovered from limit losses to finish higher for the day. Copper was higher reflecting gold price swings. Sugar posted limited gains on industrial price fixing and commission house buying. Cocoa finished sharply lower in the front months on specularive liquidation, which touched off stopoloss selling. Coffee was higher on trade and local buying. Mixed commission house activity kept the colton market directionless. The livestock complex was higher on the constructive cold storage report and the firmer lone in beel prices. The grains and sovabeans were mixed. Hanold reported.

Potatoes (round whites)—March 53.0-52.6.625.0. Sept. 195.30-198.00. Oct. 197.10-197.50.

Were mixed, Hainold reported.
Polatoes (round whites).—March 53.0-53.5 (53.0), April 57 3 (56.0), May 67.0-67.3, Nov. 76.4-76.5, Sales 417.
Sugar—No. 11: March 24 30-24.40 (23.32), May 25.80 (24.80), July 26.66, Sept 27.04, Oct. 26.99, Jan. 26.80, March 26.97, May 26.70, July 26.75. Sales 21,251. -805 00-815.00 asked (805.00-

CHICAGO, February 21.

Lard—Chicago loose 20.00 (same).

New York prime steam unaveilable
Lize Cattle—April 71.80-71.90 (71.27),
June 73.80-73.90 (72.95), Aug. 73.6073.50, Oct. 72.25-72.32. Dec. 73.4773.56. Feb. 73.75.
Live Hogs—April 37.50-77 

4125 0. Aug. 4175.0.

†Soyabsans—Merch 5441\_645 (64314).

May 668.969 (6671.) July 699.6991.

Aug. 6991. Sept. 708. Nov. 7201,-720.

Jan 728. Merch 757.

\*Soyabsan Meal—March 177.50-177 69 (177.201, May 183.50-183.70 (182.701, July 189.50-189.30, Aug. 192.20-182.50, Sept. 195.30-198.00, Oct. 197.10-197.50.

Dec. 201.50-201.50, Lon. 201.00. . 301.50-201,20, Jan. 204.00, March

209 00.
Soyabean Oil—March 22.95-22 90 (22 82). May 23.53-23 57 (23.44). July 24 05. Aug 24.35. Sept. 24.60, Oct 24.80, Dec. 25.20 Jan. 25.30, March 25.65-25.70, May 25.95-25.00.

Wheat—March 4451-445 (4431). May 4591-4591 (4551), July 4651-466 Sopt 4764, Dec. 494. March 510.

WINNIPEG. February 21 §Barley—March 111.00 (111.10), May 114.00 (113.90), July 114.30, Oct. 110.30, Dec. 109.40. 

#### **EUROPEAN MARKETS**

ROTTERDAM, February 21.

Wheet—U.S. No 2 Dark Hard Winter 13.5 per cent March \$197. U.S. Hard Winter ordinary unquoted, U.S. No. 2 Red Winter Feb. \$194, March \$196, U.S. No 2 Northern Spring 14 per cent Feb. SD2, March S204.50, April/May S197.50. May/June S197.50. Soyabeans—U.S. Two Yellow Gulfports aff S265, Feb. S265, March S265.75 sellers/S264.50 buyers. April S271.50. May S274.25. June S281, July S282.25, Aug. S266.75. Sept. S290, Oct. S292. Nov. S291.75. Dec. S293.50, Jan. S2762.25 Oct. S295. Sales At Call S290, March S311.75, Emzil Yellow fad unquoted. Argentine May S274.

June \$279. July \$279.50, Aug. \$282.50 Sovemeat 44 per cent protein U.S. all \$231, Feb. March \$232 April/June \$224, April/Sep \$238.50, Nov /March \$255, Brazil Pellets March \$241.50, April/ 5.35. Brazii Pellets March S.41 50, April/ Moy \$239. April/Sept. \$233.50. PARIS, February 21 Cocoa (FFr por 100 biles), March 1285, May 1310-1318. July 1320. Sept. 1340, Dec. 1350, Merch 1360. Sales at call 2.

INDICES FINANCIAL TIMES Feb. 20 Feb. 19 M oth ago Year ago 299.19 304.03 304.18 269.56

(Base: July 1, 1952=100)

MOODY'S

Feb.30 Feb. 19 M nth ago Year ago

1377,1-1435,0 1399,0 1051,9

(December 31, 1931=100)

DOW JONES Dow Feb. Feb. Month Year Jones 20 1 ago ago Spot ... 442.67 442.92 437,30 382.04 Ftur 's 454.97 459.12 441,35 \$80,47 (Average 1924-25-26-100)

REUTERS

Fab. 21 Feb. 20'M'nth ago Year ago

1773.4 1760.4 1777.1 1554.3

(Base: September 18, 1931 = 100)

Alphonse 7.00, Waltham Cross Plums—S. African: Govintas 0.38 Wickson 0.36-0.45, Eldorado 0.40

54 0. heavy 44.0 to 56.0; Imported frozen: New Zealand PI. new season 53.5 to 54.0. New Zealand PM new season 51.5 to 55.0. Pork: English, under 100 lbs 40.0 to 49.0. 100-120 lbs 38.0 to 48.0. 120-160 lbs 36.0 to 44.0. COVENT GARDEN—Prices in sterling per package except where otherwise stated: Imported Produce: Orangos—Spanie: Nevel 3.50-4.30; Jaffa: Shamouti 50/189's 2.75-5.50: Moroccan: 64/112's 3.50-3.80. Satsumas—Spania: 95/189's 3.40-4.20; Clementines Spania: 4.50-5.50; Wilkins 5.00-5.20. Lemons—Italian: 100/150's 4.50; Cyprus: 11 kg 34/120's 3.00-4.40; Greek: 4.50-5.00; Spanish: Trays 1.50-1.70; Californian: 99/115's 5.50. Gropefruit—Cyprus: 20 kg 3.10-4.40; Jaffa: Large boxes 32/86's 4.80; Florida: Pink Flesh 36/48's 4.20-4.80. Apples — French: Golden Delicious, boxes 40 lbs 138/175's 3.50-5.00. 20 lbs 1.60-2.40; Granny Smith 20 lbs 2.40-3.00. 40 lbs 4.50-6.00. Starkerimson, approx. 20 lbs 72's 2.60. 401bs 5.60.6.50; Italian: Granny Smith 20 lbs 2.50-6.50 (141an) 4.15 Learn states 10.00 (14.00) for the states of the Starkenmon, approx. 20 165 755 2.00.

40165 5.60-6.50; Italian: Granny Smith

20 16s, per pound 0.14-0.16, Jonathan

0.08; Starking 0.11, Golden delicious

0.08; Spanish: Starkerimson 5.00-5.50

Grapes—Californian: Red Emporer, per

pound 0.50-0.55; S. African: Ben Hannah

7.00. Plums—S. African: Glyunas 0.36.
0.45. Victison 0.36-0.45, Eldorado 0.40-0.45 Orisinques—Jamaican: 54/1.76 5.
6.30-750. Avocados—Israeli: 4.00-4.20 Molons—Spanish: 10 kg Green 9/11's.
7.00: Ecuador: White 4.00: Chileen: Green 10.00-11 00. Plneapples—luory Coast: Each 12 0.40-0.70. 6's 1.00-1.10; S. African: 6,9's 2.50-2'70. Onlons—Spanish: 4.50-5.00; Dutch: 3.30; Canadian: 50 lbs 3.50. Tomatoss—Canary: 3.60-5.00. Banenas—Jamaican: 26 lbs 0.18. Lettucs—Dutch: 24's 2.60; French: 1.00. Cueumbers—Canary: 14/18's 3.50-4.20. Capsicums—Canary: 14/18's 3.50-4.20. Capsicums—Canary: Per pound 0.38; Cuban: 0.38; Elmonian: 24's 5.00; Italian: 12/18's 3.00-4.00. Spanish: 18/36's 3.00-4.00. California: 24's 5.00; Italian: 12/18's 2.50. Chicory—Belgian: 5 (bs 1.60-1.60. Potatoss—Italian: Boxes 20 (bs 3.00; Cyprus: 55 (bs 4.90) Enyptian: 4.50. Dates—Tunisian: 30's per box 0.36-0.42. English Produce: Potatoss—Per bound 0.50-0.55 Apples—Per pound Bramlay 0.50-13. Canif. Oreans. Pinnin 0.08.

FINANCIAL TIMES STOCK INDICES

# Leading equities fluctuate narrowly in thin trade while gilts move irregularly—Golds stage good rally

Dealings tions Dealings Day Jan. 28 Heb. 7 Feb. 8 Feb. 18 Feb. 11 Feb. 21 Feb. 22 Mar 3 Feb. 25 Mar. 6 Mar. 7 Mar. 17 Account Dealing Dates "New time" dealings may take place from 9<sub>6</sub>30 a.m. two business days

With business inhibited by the still-unresolved steel dispute and the overall depressing UK labour scene, the performance of stock markets yesterday was drab to say the least. Leading shares failed to be inspired by Wall Street's overnight rally, although the Oil sector benefited from U.S. influences and expectations that all companies, large and small, should report impressive results this year.

Once again, situation stocks stimulated most interest. With the institutions continuing to play a waiting game, however, the absence of any worthwhile business remained an overall drag on sectiment. This was reflected in a mid-morning downdrift in leading shares, a trend only arrested by reports that the Welsh miners' industrial action from next Monday in support of the steel workers is unlikely to be a unanimous affair.

initially and imparted firmness to a few other leaders, but the majority tended to case a shade. The major clearing banks steadled after Wednesday's fall on resurrected seasonal speculation about pending rights issues: preliminary statement today. 301p. Measuring the overall trend, the Spe FT 30-share index mostly regained a loss of 2.6 at 11 am to close only a net 0.7 off at 457.6. Government stocks followed diverse trends with the shorts

continuing in firm vein but the longs moving lower. The former attracted fresh investment funds and overcame attempted reactionary movements to close with gains extending to ?. The longs, however, remained overshadowed by the likelihood that any new Government funding would be in this area and lost as much as ½. The £70-paid Treasury

124 per ceut A 2003/05 gave up that amount at 54%, after 65%. Business in Traded options was slower than on Wednesday and 503 contracts were completed. Shell attracted a useful trade

#### Gillett down again

Plant hire concern Roche Plant. formerly Webb-Nash, staged a quiet market debut and from an opening level of 29p the shares progressed to 34p on small buy-

**EQUITY GROUPS** 

& SUB-SECTIONS

CAPITAL GOODS (172)

Mechanical Engineering (74)...

Metals and Metal Forming(16)

Lt. Electronics, Radio, TV (15) \_ Household Goods (14)

Motors and Distributors (21). CONSUMER GOODS

Newspapers, Publishing (13). Packaging and Paper (15) .....

Chemicals (17) \_\_\_\_\_\_ Pharmaceutical Products (7) ...

INDUSTRIAL GROUP (492)

FINANCIAL GROUP (117).

Insurance (Life) (10)...... Insurance (Composite) (9)

Insurance Brokers (10)...

Mining Finance (4)..... Overseas Traders (20)

ALL-SHARE INDEX(750)

int Trusts (109) .

Merchant Ba

Property (44) . Miscellaneous (9)

Food Retailing (25)

Toys and Games(5)...... OTHER GROUPS (97).

Textiles(24)

Tobaccos (3).

CONSUMER GOODS

down 15 for a two-day fall of 55 \*First Declara- Last Account to 165p on the poor preliminary results and dividend cut. Other Discounts made a dull showing with Allen Harvey and Ross 10 lower at 310p and Union 5 off at 365p. Clive and Cater Ryder cheapened 2 apiece to 68p and

303p respectively. Elsewhere, UDT responded to new time buying with a gain of 4 to 47p, while Goode Durrant and Murray added 11 to 23th following the increased annual profits. Merchant banks encountered a reasonable twoway business and closed with narrow mixed movements. The major clearing banks were subdued ahead of Lloyds' preliminary results, due today, Lloyds held at 298p, but NatWest shed 5 to 355p, while Barclays, 438p, and Midland, 358p, both eased a couple of pence.

Insurances recovered a little composure following Thursday's shake-out. Commercial Union, at 140p, recouped half the previous day's fall of 6, while Royals improved 5 ot 343p and Guardian Exchange hardened a couple of pence to 240p.

Although business remained at a low ebb, selected Breweries made useful headway on thoughts that duty increases in ICI were particularly resilient budget may be smaller than previously anticipated. Bass, 216p. and Whitbread, 138o, added 4 and 3 respectively, while Scottish and Newcastle hardened a penny to 57p. Regional counters met small buyers and Vaux picked tion about pending rights issues: up 4 to 153p, while Wolverhamp-Lloyds is due to announce its ton and Dudley improved 7 to

> Special situations provided the main focal points in Building descriptions. Armitage Shanks, at 98p, recouped 3 of the preof the level of acceptances to the bid from Blue Circle; the latter hardened a couple of pence to 298p. Royce added a penny to 491p; the independent directors of the company are advising the company. A fluctuating market of late on bid rumours, Montague L. Meyer slipped to 94p before recovering to the overnight level of 98p. Other Buildings made a dull showing, but selling pressure was light. Costain eased 4 to 150p and Wimpey a penny to 76p, while SGB shed a couple of pence to gave up 3 to 84p, while Readv Mixed Concrete cheapened 2 to

ICI touched 394p before revertretained a gain of a couple of similar losses were marked The majority of miscellaneous Rises of around 20 were marked pence at 284p. Elsewhere in against Wholesale Fittings, 570p. Industrial leaders fluctuated against Cambridge Petroleum,

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries

and the Faculty of Actuaries

Gress Div. Yield % (ACT

6.46 6.68 6.62 3.94 8.66

7.82

5.54 4.15 9.68 8.37

6.94 6.61 6.39 6.85 7.19 4.99 6.74 8.75 5.28 11.77

4.99 8.64 6.74 6.63 8.75 5.61 5.28 9.06 11.77 4.58 11.35 4.05 12.96 3.22 6.51 7.94 6.51 7.27 6.06 10.11 6.89 6.52 6.88 11.32 6.58 7.70

7.15

5.66 — 250.24 4.04 11.53 213.40 6.53 9.95 415.79

5.21 6.22

7.63 7.01

5.77 — 3.06 38.51 6.90 8.32

243.21 236.91 368.47 629.58

296.80

220.50 310.55

238.75 372.75

300.61

111.26 111.59 111.23

219.57 220.89 219.90 261.55 260.44 257.86 289.29 291.45 292.39 302.84 306.96 304.67 202.43 203.58 263.49 301.06 305.39 301.95 447.56 449.18 450.61 129.50 131.06 131.52 216.17 217.50 216.17 132.95 134.65 133.98

132.95 134.65 133.98 209.34 208.76 208.16 39.62 39.91 45.55 209.16 211.02 211.61 309.57 312.81 315.45 212.15 213.99 213.88 118.84 119.17 118.38 473.82 477.30 479.44 244.44 248.95 248.75

195.% 199.9 198.9 198.47 172.16 227.47 231.97 232.32 230.% 266.65 229.66 237.19 241.76 241.76 244.77-178.13 178.42 178.42 177.53 158.47 167.99 177.91 172.65 170.15 127.61 126.08 130.22 130.29 138.34 117.81 279.00 282.35 281.56 282.67 299.06 105.27 105.83 105.65 105.75 77.85 362.03 363.20 361.56 366.57 300.72 132.83 133.85 134.31 135.14 112.75 780.20 282.10 282.10 129.06 207.75

- | 251.40 | 260.63 | 260.02 | 259.55 | 226.11

23216 23191 23299 207.25 221.37 221.92 222.35 124.23 423.33 422.05 424.47 324.67

10.17

11.96

1277

13.03

13.41 13.41

13.26

13,99

13.94

-0.2 | 17.40 | 6.61 | 7.10 | 230.23 | 232.62 | 231.50 | 231.29 | 217.27

+0.7 | 13.73 | 5.83 | 7.87 | 812.41 | 809.25 | 804.15 | 797.45 | 556.47 - 16.58 6.44 7.26 276.07 277.51 276.64 275.94 244.92 -0.1 - 5.69 - 195.76 199.94 198.98 198.47 172.10

167.36 168.63 162.10 164.51

6.99 7.55 · 4.82

5.08 6.03

7.62 10.36 4.44 4.92

6.69 6.95 6.60 6.89

Thur., Feb. 21, 1980

16.90 25.71 12.84

25.86

20.59

12.38

26.91 .23.91

18.43 16.88 18.70 18.16

19.99 13.82

22.64 22.95

14.27 27.65 28.03 38.21 15.25

15.87 12.06 17.83 11.28 16.43

36.90 18.22

17.65

3.72 15.78

10.53

1231 - | - | 6.19

-0.4 -0.9 -0.6 -0.4 -0.3 -1.2

+0.I

-0.2 +0.1

+1.2 +0.3 +1.5

+0.1 -0.1 -0.4 +0.2 -0.3 -2.6 -1.0 -0.7 -0.3

-0.9 -1.2 +2.5 +0.6 +1.0 +0.2 -0.5 -0.6 -0.9

-14 +2.6 -0.9

234.84 366.35

310.69

111.41

290.17 387.37

202.54 300.72

445.78 129.77

215.62 130.34

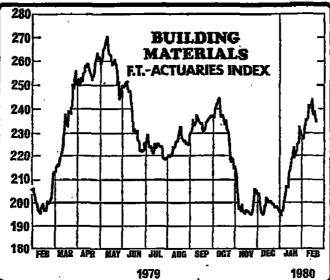
182.53 169.04

104.78 359.99 131.67

218.97 411.91

from Birmingham and Midland ing interest revived in Ferranti Counties Trust. Dixor-Strand which improved 8 to 506p.

Gillett Brothers were marked Chemicals, Bernard Wardle eased and Muirhead, 205p. On the other narrowly and closed without 288p, and Cluff, 400p, while own 15 for a two-day fall of 55 \(\frac{1}{2}\) to 32p on the lower annual hand, fresh support was forth—much alteration on the day Metal Attock improved 3 to 198p and 165p on the poor preliminary profits; the company is the sub-coming for Electrocomponents, Box, however, continued to Caledonian Offshore 30 to 280p. ject of a 33p per share cash bid 13 to the good at 520p, while buy-



encountered further selling and shed 3 to 15p for a fall so far on the week of 9. Plysu eased 4 Scottish Agricultural Industries a like amount off at 169p, the latter in a thin market.

#### Courts up Courts (Furnishers) A rose 5

to 88p on bid hopes following Wednesday's approach to Henderson-Kenton. Harris Queensway, rumoured suitors to the latter, declined 3 for a two-day loss of 11 at 175p. Elsewhere among secondary Stores, R and J. Pullman eased 2 to 48p after the interim statement, while Foster Bros met further profit-taking and shed 8 at 92p. B. Paradise, on the other hand, firmed a shade to 297 after Press comment, while James Beattie A also attracted support shareholders to reject Bonner and closed 3 better at 153p. The park's 50p per share cash bid for leaders remained subdued and, with the exception of House of Fraser, 4 up at 135p, tended to retain the overnight levels. In Shoes, Newbold and Burton added a couple of pence to 55p in but Stylo fell 5 more to 175p.

Leading Electricals passed a rather subdued session and showed little alteration at the 2380. Mixconcrete, a rising close Elsewhere, the sharp fall market of late on Irish buying, in annual profits and statement on the outlook prompted marked weakness in Dale Electric which fell to 94p before settling at 950 for a fall of 16. Louis Newmark ing to the overnight level of a particularly good market of 390p after light trading. Fisons late, reacted 5 to 325p, while

Fri., Feb. 15

245.55 238.70 372.20

303.86

112.16

719.34

257.95 252.95 303.09 203.62 302.09 449.85 131.79

207.89 46.23 211.23

119.22

208.05

301 15

244.72 237.39 371.48

299.58

165.67

222.26 221.75 313.99 313.06

Leading Engineers held reasonably steady, but GKN, still un-settled by the steel dispute, gave up 5 more to 250p. Secondary issues recorded scattered losses. Renewed selling left Acrow A down 3 further at 39p, while similar falls were recorded in Saker Perkins, 90p, and T. W. Ward, 99p. The passing of the final dividend and sharp fall in annual profits caused duliness in

AI Industrial Products, which fell 5 to 24p. A. Cohen reacted 10 to 260p and fresh offerings left RHP another 21 lower at 85p. Fears of an even further lengthy wait for its nationalisation com-pensation left Vosper 5 cheaper at 1650. Against the trend, fresh support lifted Mining Supplies 3

Morgan Edwards rose 15 to 138p, after 139p, in line with the proposed merger terms with Louis C. Edwards. The latter eased 2 to 66p. Elsewhere in the Food sector, Carr's Milling added 2 to 90p following a Press mention. In the leaders, Associated Dairies eased 3 to 175p and Rowntree Mackintosh 4 to 158p on scattered selling.

In Hotels and Caterers. renewed speculative buying lifted De Vere 13 to 236p in a thin market and prompted gain of 10 more to a 1979-80 high of 138p in Savoy A. Ladbroke added 3 to 155p, the company's casino licence appeal is due to be heard next week.

Metal Box lower

Stock

Burmah Oil ..... £1

Shell Transport ... 25p

LASMO 25p
Tricentrol 25p
Cons. Gold Fields 25p
Brit. Car Auction 10p

DEALING DATES

Deal- Deal- Declara- Settle-

Feb. 18 Feb. 29 May 29 Jun. 9 Mar. 3 Mar. 14 Jun. 12 Jun. 23 Mar. 17 Mar. 28 Jun. 26 Jul. 7

For rate indications see end of Share Information Service

**RECENT ISSUES** 

1979/80

tion ment

De Vere Hotels... 25p Furness Withy ... £1 Imp. Cont. Gas ... £1

Ings ings

No. Denomina- of

reflect the continuing steel dispute and reacted 6 to 244p on a Darby added a penny to 91p in revival of selling. Elsewhere, response to the half-time results further consideration of the pre- and scrip issue. Lonrho recovered liminary results prompted a a similar amount to 101p, but reaction of 4 to 88p in Berisfords, while the Board changes failed to help Change Wares, 1; cheaper at 7p. Bath and Portland closed 2 lower at 45p following the annual results and the statement referred to the Monopolies Comon its Iranian contract. Booker selling and gave up 5 more to 250p, but a revival of speculative Other Shippings continued to demand prompted a rise of 3 to trend easier, British and Com-72 p in Howard Tenens, Thermal Syndicate lost 4 further to 108p. while Marshalls Universal, down a similar amount at 96p, failed

in a restricted market. Airfix reacted 1½ to a 1979/80 low of Distributors again displayed an irregular appearance. British Car Auctions added 11 to 69p, while Caffyns hardened 2 more to 192p. Glanfield Lawrence, 62p. lost 3 of the previous day's Pressinspired gain of 5, while Lex Service, 89p, and Jessups, 49p, both eased around 2. With the exception of Dunlop, 2 better 68p. Components stayed close to

the overnight positions. Leading Newspapers quietly mixed. Associated shed 3 to 305p, but international Thomson rose 7 to 487p. Independant rose 11 to 166p in a thin market.

Properties trended easier in sparse trading. The leaders regis-tered marginal losses while, in secondary issues, Greycoat Estates, 119p, Land Investors, 46p, and Daejan, 125p, all shed 3, Greveout of the interim statement.

Against the trend, Warner

Estates added 3 to 245p.

#### Oils good

**ACTIVE STOCKS** 

tion marks price (p) on day high fl 16 228 + 6 231

**OPTIONS** 

**EQUITIES** 

100 | Child Health Res'ch | 101 | 9812 | Emess Lighting | 10712 | 10 | Keep Inv. Trust 5p | 104 | Lon.Merc'tSecs.Defd | 29 | Roche Plant 10p | 34 | 22412 | Wereldhave NVDFL21 | 22412 |

**FIXED INTEREST STOCKS** 

Helped by overnight firmness on Wall Street, Oil shares staged a fairly broad advance. Among the leaders, Shell touched 390p before settling at 386p for a rise of 8 on the day, but BP ended a shade cheaper on balance at 400p, after 404p. Siebens (UK) were well to the fore in secondary issues and closed 44 higher at 782p, while renewed specula-tive demand, which included some of the new Account starting next Monday, left Burmah 6 higher at 228p, after 231p. Tricentrol, also the subject of new-time buying, finished 18 to the good at 316p, after 324p.

Closing Change 1979-80 1979-80

Premier Oil, John Brown

FNFC 91 per cent loan, Coral Leisure, Charterhall, Lonrho, Burmah, Debenhams, Town and

+12 +10 +18 +16 + 1<del>1</del> - 2 + 4 +15 +13

Among Overseas Traders, Sime S. and W. Berisford encountered small profit-taking and shed 3 to

Reflecting continuing fears

that the C. Y. Tung bid may be mission, Furness Withy eased afresh to 363p before settling unchanged on the day at 368p. monwealth reacting 4 to 313p and P. and O. Deferred 2 to 115p. Milford Docks lost 7 to 148p. The disappointing preliminary statement chipped a further 1 from Carrington Vivella at 141p.

Sothebys eased 5 to 4950 and Applied Computer fell 10 to 315p Other Textile majors trended easier in sympathy; Tootal fell 2 to 27 p, while Coats Patons dipped 11 to 47p. Nottingham Manufacturing gave up a penny to 82p and Illingworth Morris A eased a fraction to 131p. Elsewhere Sidlaw moved against the trend, renewed speculative support prompting a rise of 5 at 162p, while Lister also turned better

#### Strong rally in Golds

South African Golds recouped a good deal of the previous day's es as the bullion price railied sharply to close \$30 up at \$657.50 an ounce. The Gold Mines index regained 13.9 to 341.0.

Demand for gold shares was consistent throughout the day, with buying from one source. ing Continental interests, particularly in evidence in the after-

The late buying was responsible for a sharp rise in St. Helena which closed £1; up at a 1979-80 high of £17, while other issues to register good gains included Randfortein, £11 up at Western Holdings, firmer at £29, and Free State Geduld, which added a point at

Among the cheaper-priced tocks, South African Land stocks, recovered 64 of the previous

Grand Met.

Land Shell Shell Shell Shell Totals

BOC Imperial Gp Imperial Gp Racal Elec. Racal Elec. RTZ RTZ RTZ RTZ Totals

LONDON TRADED

Clesing offer

Val.

65,96 65,96 65.74 67.07 62.54 67.58 66.80 65.94 66.94 457.6 458.3 461.8 463.0 462,6 473.9 469.2 ndustriai .... 341.0 387.1 351.8 347.4 349.7 358.3 181.6 Gold Mines. 7.17 7.18 7.01 6.17 7.26 7\_25 7.18 Ord. Div. Yield... 17.82 17.57 17.63 17.66 17.22 16.11 Earnings, Yid. % (full) 17.88 6.93 6.95 6.94 7.11 6,87 P/E Ratio (nat) (\*). .... 6.86 - 92.95 B6.05 98.35 146.06 198.07 68.32 Equity turnover £m 14,598 13,994 14,501 21,165 22,588 15,448 Equity bergains total 10 am 458.0. 11 am 465.7. Noon 456.2. 1 pm 456.7. 2 pm 457.6. 3 pm 458.2. Latest index 01-245 8025. \* N.I = 8.60. Basis 100 Govi. Secs. 15/10/25. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/5b. SE Activity July-Dec. 1942. HIGHS AND LOWS S.E. ACTIVITY Since Compliatin 1979/80 LOW 64.06 150.4 50.53 (15/11) (28/11/47) (3/1/76) Fixed Int... 406,3 558.6 49.4 (15/11) (4/5/78) (26/8/40) ind. Ord...

129.9 442.3 43.5 (17/4) (22/6/75) (26/10/71)

day's fall of 99p to close at 415p. The buying of Golds spilled over into Financials where Anglo American Corporation rose 26 to 630p, "Amgold" and GFSA I apiece to £381 and £38 respectively and Union Corporation 15

London-based rallied strongly after an un-certain start. Gold Fields ended 16 to the good at 516p, after falling to 501p early on, while Rio Tinto Zine put on 12 to 452p and Selection Trust 10 to 762p.

Australians moved erratically. The market got off to a good start, despite the uncertain trend in overnight Sydney and Melbourne exchanges, reflecting the rally in precious and base-metal

However, renewed profit-taking emerged and prices closed well below the day's best. Among the high quality issues, MIM Holdings were finally 4 up on balance at 274p, after 280p, Bougainville the same amount firmer at 208p, after 209p, and Western Mining 2 harder at 240p.

OPTIONS

the speculative stocks,

Vol.

3 -13

92 68 50

405p

141p 514p

381p

293°p 390°p

448p

Samantha touched 138p and 145p before closing barely changed on balance at 141p.

Elsewhere, Canada's Barymin advanced 8 to 2 1979-80 high of 95p; West Germany's Metallgesel. Ischaft recently acquired a 10 er cent holding in the company and signed a long term sales contract with Yava Mines, the company's lead-zinc producer in

#### **NEW HIGHS AND** LOWS FOR 1979/80

NEW HIGHS (24) Zanata Group

CANADIANE (2)

Guit Oil Canadia

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NEW LOWS (16) BRITISH FINANS (1) Frequery 12-pc '03-05 "A" 670pd.) STORES (1) Varions ENGINEERING (2)
Norton (W. E.) Walter (C. & W.)
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1 2pc Ptg. Pt. PAPER (2)
Culter Guard Bridge LCA
SHIPPING (1) Jacobs (j. 1.) TEXTILES (2) Cawdaw Reliance Knitman OVERSEAS TRADERS (1) Great Northern

#### RISES AND FALLS YESTERDAY

British Funds	∪р	Down	Same
Corpus, Dom. and	30	44	16
Foreign Bonds Industriels Finencial and Prop. Oils Plantations Mines Others	5	8	53
	173	345	880
	49	215	- 233
	22	5	16
	1	12	15
	69	31	- 50
	52	36	72
Totals	401	696	1,335

Story Constitution of the story 
274

282 8.86

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18

# OFFSHORE &

Lleyds Bank International, Geneva P.O. Box 438, 1211 Geneve 11 (Switzerland) Lloyds Int. Growth SP45.59 417.51 07 Lloyds Int. Income SP26.00 217.50 6.59 

Phoenix Internation

# "RIGHTS" OFFERS

Price pt	Pal.	•	ite 	High	Low	Stock	25	-
25.5 40 60 451 60cts 25 25p 85.500	F.P. F.P. F.P. F.P.	29/9 22/1 3/1  20/8 21/8	24/1 — 13/3	101.pm 946 96 486.pm 68	69 pm 660 71 (SOpm 57 60	Bank of Montreal	12pm 68 97pm 810 70 375pm 68 74 10pm	++

Renunciation data usually lest day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. a Forecast dividend: cover based on previous year's semings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. I cover allows for conversion of shares not now tanking for dividend or ranking only for restricted dividends. § Placing price to public, p; Pence unless otherwise indicated. I issued by tender, § Offered to holders of configury shares as a "rights." \*\* Issued by way of captalisation. §§ Reintroduced. If Issued in connection with reorganisation, marger or takeover. ¶§ Introduction. ☐ Issued to former praterance holders. ■ Allotment letters (or fully-paid). • Provisional or partly-paid allotment letters. \* With warrants. 1† United security. ‡‡ Issued as units comprising 2 participating pref. shares and 1 ord. share at R3.50 per unit. † Dealings under special rule.

# Ings ings tion ment Feb. 18 Feb. 29 May 29 Jun. 9 far. 3 Mar. 14 Jun. 12 Jun. 23 Mar. 17 Mar. 28 Jun. 26 Jul. 7 For rate indications see end of Share Information Service Call options were dealt in Coral Lessure, Heron Motor, RTZ and Woodside.

# Dealing to P.O. Box 73, St. Helier, Jersey 792 26 1113 005 -5 1717 102 -1 1881 - 634

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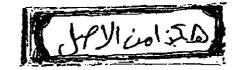
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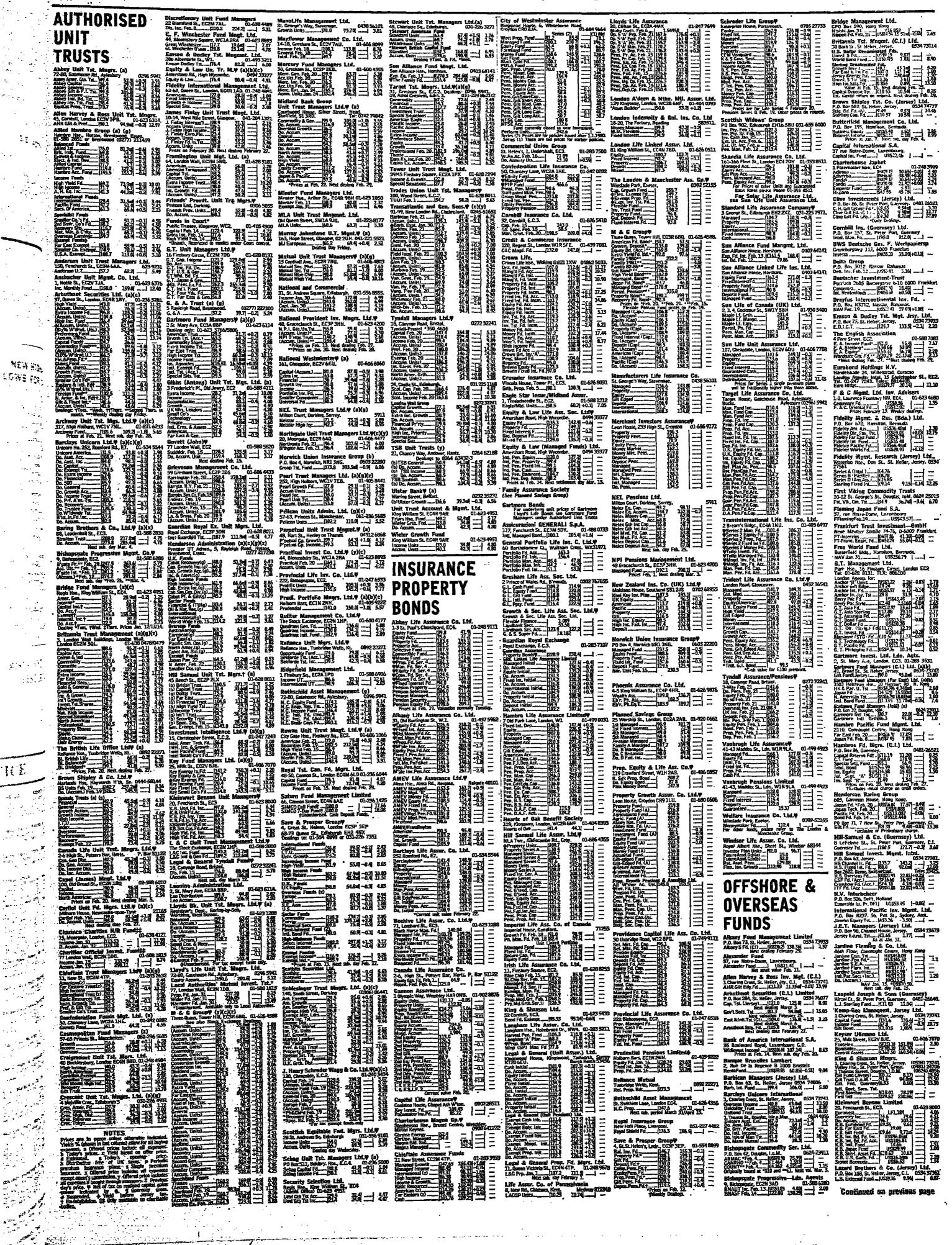
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#### TRUST INFORMATION SERVICE

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FOREIGN BONDS & RAILS

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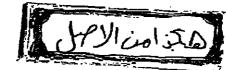
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INDUSTRIALS (Miscel.)

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Financial Times Friday February 22 1980 INDUSTRIALS—Continued INSURANCE—Continued PROPERTY—Continued a fully integrated banking service FINANCE, LAND—Continued MINES—Continued CENTRAL AFRICAN **LEISURE** OIL & GAS AUSTRALIAN 1208 1103 366 491 53 171 133 286 380 245 370 43 50 3.96 (033c h0.67 0.01 4.96 0.42 6.0 17.64 (2.5 -1 -1 +3 +1 MOTORS, AIRCRAFT TRADES SHIPPING Motors and Cycles TINS **OVERSEAS TRADERS** Components SHOES AND LEATHER Garages and Distributors MISCELLANEOUS 155 | 78<sup>1</sup>2 | Anglo-Dominion ... | 95 | 54 | Barma Mines 17<sup>1</sup>30 | 502 | 170 | Cons. Murch. 10c. | 170 | 525 | 280 | Northgate C\$1 ... | 472 | 226 | R.T.Z. | 31 | 12 | Robert Mines ... | 65 | 25 | Sabina Inds. C\$1 ... | 580 | 470 | Tara Exptn. \$1 ... | 142 95 143 485 452 452 452 452 452 452 RUBBERS AND SISALS Ansis Am, In, R1 
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Interim since increased or resurred.

Interim since reduced, passed or deferred.

Indicated dividend after penting serip and/or rights issue; cover relates to previous deudends or forecasts.

Merger bid or recorpantization in progress.

Not comparable.

Same interim: reduced line) and/or reduced earnings indicated.

Forecast dividend, cover on earnings updated by latest interims statement.

Cover allow, for conversion of shares not now ranking for dividends or ranking only for restricted divitiend.

Cover allow, for conversion of shares which may also rank for dividend at a future date. No PIE ratio usually provided.

Excluding a final dividend declaration.

Regional proce.

No par value.

Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock, a Tax free, b Figures based on prospectus or other capital; coner based on dividend rate paid or payable on part of capital; coner based on dividend and yield. Assumed dividend and yield. Assumed fiveled and yield. Assumed fiveled and yield, a Resembling yield. I Flat yield gased on previous total, in Rights issue pending, a Earnings based on preliminary figures. I Dividend and yield after scrip issue, i Payment from capital sources, it Kenya, in interim higher than previous total, in Rights issue pending, a Earnings based on preliminary figures. I Dividend and yield after scrip issue, in preliminary figures. I Dividend and yield after scrip issue and previous final earnings. In Forecast dividend, PIE ratio based on prespectus or other official estimates for 1979-80. & Assumed dividend and yield after pending scrip and/or rights issue. I Dividend and yield after pending scrip and/or rights issue. I Dividend and yield after pending scrip and/or rights issue. I Dividend and yield abased on prospectus or other offici **TEAS REGIONAL MARKETS OPTIONS** 3-month Call Rates 

STEEL AND

TOOLS

# FINANCIALTIMES

Friday February 22 1980



# Government cuts 21% Water unions set from housing spending to accept offer

BY PHILIP RAWSTORNE AND ANDREW TAYLOR

by 21 per cent in 1980-81, Mr. council housing in Scotland.
Michael Heseltine, the EnvironMr. Heseltine told the Comment Secretary, announced in mons that council rents should the Commons yesterday. He recommended a further increase in council rents.

announced in the revised public raise council rents by an averspending programme. The cuts age 28 per cent over the year. will hit hardest at local In England the local authoriauthorities where the council-house building programme is already at its lowest ebb since

Mr. Heseltine said that local authorities would be allocated tion would get £420m and the 21 English New Towns £151m.
After allowing for the effects of inflation this represented £2.199bn for their housing effective 21 per cent reduction on estimated levels of housing expenditure in England in the current financial year. In real terms, at November 1978 prices,

GOVERNMENT expenditure on an effective cut of 20 per cent that the rent increases would

Mr. Heseltine told the Combe increased by an average 60p a week from the second half of o council rents. the year. With the £1.50 in.

The measures are the first creases due in April, this would ties have borne the heaviest burden of the cuts. At November 1978 prices the allocation for 1980-81 is 24 per

cent below the most recent estimates of local authority housing expenditure for the

English new towns 11 per cent. The Government moves were angrily condemned by Labour and Liberal MPs as a recipe for housing shortages and soaring

house prices.

housing in England will be cut to £299m in the allocation for fuel further inflationary wage

The Environment Secretary insisted that the revised pro-grammes were a realistic assessment of what the nation could

Taxpayers and ratepayers had been contributing to a subsidy of £30 a week for the average new council house, he

Rents had fallen to 6.4 per cent of income, and had been a major factor in local authorities' inability to meet housing costs finance investment and maintain their stock. Mr. Heseltine added: "The

emphasis of public-sector hous-ing policy must be to meet particular needs such as those of "We have to concentrate on modernising, improving and making better use of the exist-ing stock, rather than on the seneral provision of new

general provision of

and Liberal MPs as a recipe for housing shortages and soaring bouse prices.

Local authorities would be given more flexibility to decide their own priorities.

# **PSBR** to be held—Howe

The big shift from borrowing

£3 89bn unadjusted) to a net

repayment of debt is one of the

main reasons for the severe

shortage of liquidity in the money markets. This has pushed

up very short-term interest rates

Questioned further, Sir

lending rates.

BY PETER RIDDELL ECONOMICS CORRESPONDENT

the Commons yesterday that 80. The public sector is expected public sector borrowing would to be a net repayer of debt be held down in the coming financial year. Because of the period because of accelerated nearness of the Budget on collection of petroleum revenue was a second of the period because of accelerated nearness of the Budget on the collection of petroleum revenue was a second of the period because of accelerated nearness of the Budget on the collection of petroleum revenue to the collection of petroleum reven March 26 it would be wrong to tax (bringing in £700m), sales allow a rise in interest rates of public sector assets and now, he said.

During Treasury questions added tax. In addition, incor Sir Geoffrey repeatedly stressed tax revenue has been boosted by the Government's desire to re- the rapid growth of earnings. duce public sector borrowing "to get back to a world where interest rates were not too high." However, he would not be drawn on reports that the Budget will aim to hold down borrowing in 1980-81 to under

His comments coincided with the announcement of Treasury figures showing that public sector borrowing in the first nine months of the 1979-80 finthe outcome would be about

Officials were quick to point policy remained the same. out yesterday that it would be Questioned further, wrong to infer from the latest Geoffrey said a successful mone-

£2bn plan

for N. Sea

gas pipeline

By Ray Dafter, Energy Editor

Mobil study team, will help to

able to tap enough natural gas

transmission facilities and a new petrochemical complex in the Cromarty Farth could add

£1bn to the estimated cost of

decide how to finance the operation. It is expected that a

pipeline consortium will be

Details, Page 8

**Steel dispute** 

The Government has still to

the project.

BSC rundown.

The construction of land

latter part of this century.

to make the network viable.

SIR GEOFFREY HOWE, the figures that borrowing would tary policy depended on the Chancellor, clearly indicated in evershoot significantly in 1978- right fiscal balance as well as on interest rates. Consequently, with the Budget so near, there was no need to allow the entire burden of monetary policy to be carried by interest rates.

This can be seen as an indication that public spending cuts other fiscal changes in the Budget are intended to be sufficient to cut borrowing and to take the pressure off interest of £3.14bn in the October-December period last year (on a seasonally adjusted basis and

Sir Geoffrey also said the joint Treasury and Bank con-sultative paper on monetary control would appear soon. A move was possible towards a more direct monetary base control on the banking system but it would not be a fundamental

The detailed borrowing figures show that on a non-seasonally adjusted basis bor--up to 25-30 per cent overnight -end put pressure on the banks' ancial year was £9.97bn. This Sir Geoffrey yesterday decompares with last November's fended the Bank of England's of the 1979-80 financial year estimate of £3.3bn for the whole action to relieve this pressure was £11.07bn. This underlines to gestions by Sir Geoffrey that the outcome would be about in response to a termination of the first nine months of the 1979-80 financial year was £11.07bn. This underlines to gestions by Sir Geoffrey that £500m a month. He said it was needed during the current quar-in response to a temporary ter to get back to the £9bn spread in official selling prices shortage of liquidity and that revised target for the whole which has now widened from policy remained the same in response to a temporary ter to get back to the £9bn financial year.

> Parliament, Page 10 Spending figures, Page 6

# Irish consider bids for £50m phone deal

BY GUY DE JONQUIERES AND STEWART DALBY

BRITISH Gas Corporation and THE IRISH Government is Mobil will formally recommend the construction of a £2bn North Sea gas pipeline network within the next few weeks. The Government is expected to endorse the recommendation and allow work to be started over the next five years.

Its national telephone network winner would clearly over the next five years.

The Government has said it stages of the scheme. will expect the winner of the

this summer.
Mr. Hamish Gray, the Energy
Minister, said yesterday the
Government would like the stantial proportion of the equipment required for the pipeline to be in operation by 1984 or 1985. The 400-mile scheme, including highly advanced digital exchanges, in digital exchanges, in pipeline, which is expected to be proposed by the British Gas-

The bidders—there are be-lieved to be seven in all—have ensure gas supplies for the The report will confirm that a pipeline. Hnked initially to about 12 offshore fields, will be ing local manufacturing facili-ties.

They are understood to include CIT-Alcatel and Thomson-CSF of France, Northern Telecom of Canada. L.M. Eriesson of Sweden and Nippon Electric Corporation of Japan.

No British company is be-lieved to be in the running. This is in spite of the formal announcement last year that System X, the technically advanced telephone system developed jointly by the Post Office, GEC, STC and Plessey, was open for orders.

The value of the first contract. believed to be close to a decision for switchgear and other equipon the award of the first conment, has not been disclosed, tract for an ambitious 1£650m though it is understood to be (£605m) scheme to modernise for under 1£50m. But the its national telephone network winner would clearly be well placed to take part in the later

Nippon Electric has told the contract to manufacture a sub- Irish government that if it stantial proportion of the wins, it will set up a plant in Ireland to manufacture equip-ment in partnership with Carroll Industries, the Dublinbased tobacco company.

Nippon Electric already has a semi-conductor plant operating been asked to submit with their in the Republic, a fact which tenders proposals for establishsome observers believe could swing the scales in its favour. Carroll Industries said yes-terday that it had been approached by Nippon Electric with the partnership proposal. If the bid was successful, he said, Nippon Electric would supply the technology and manu-facturing facilities, while Carroli would contribute marketing and

commercial expertise. It was expected that the proposed joint company would seek to enter export markets in other parts of Europe once the Irish telecommunications scheme was completed.

American price advantage came Richard Evans

picketing as turning points that | EEC steel exports. Washington to the Opposition censure but he expected U.S. Steel to motion next week. but he expected U.S. Steel to file an anti-dumping complaint

The debate, on a motion of no confidence, will be held next Thursday, with Mr. Callaghan warning by another private launching an onslaught against steel company, Hadfields, that the whole range of the Government's economic and social policies. Last night he urged all Labour MPs to vote in the been rejected by all 13 unions rejoined the sympathy strike division. Earlier he suggested in the industry. Today the Mr. Derek Norton, chairman that Commons committee meet-

BY PHILIP BASSETT, LABOUR STAFF

WATER authority employers yesterday improved their pay offer to 33,000 manual workers in the supply and sewerage industry by putting forward a package worth 21.4 per cent. The offer, which seems likely

to be accepted, is one of the highest tabled so far in this round in the public sector. It is likely to push up the hopes of comparable groups, including 40.000 gas workers who have rejected an offer of about 17 per cent and 96,000 power workers who are also at present in negotiation.

The package was outlined in

informal talks between the two sides earlier this week. It was signated again at the start of yesterday's negotiations with the employers body, the National Water Council, which were still going on last night.

Much of the rest of the day was spent dealing with pressure from the union side for an employers' commitment on main-taining comparability with gas and electricity supply in the

next pay round.
A joint comparability study, agreed as part of last year's settlement, has formed the basis for much of the negotiations this year. The employers were insisting,

though, that they had met their obligations on comparability with this new offer and that no commitment could be given. The offer improves the com-

per cent, or about £10m. An increase in basic rates, shift, stand-by and call-out allowances amounting to a further 13.2 per cent, or £18.7m, would be paid

on top of that. This method of payment would yield a further I per cent to take the overall package to 21.4 per cent, or £30.3m on the wages bill.

The deal would add between 52p and 59p a week to the basic rates put forward in the last 19.2 per cent offer, which was rejected before yesterday's talks by the majority of workers in the industry, though the agricultural workers narrowly voted to accept the packages. It would take basic

rates to £56.56-£62.51. Although the deal seems likely to be accepted in the main officials from some more militant regions such as Yorkshire gave a warning last night that it might not prove acceptable in their areas.

The General and Municipal Workers' Union, the majority union in the industry, which led the rejection of the 19.2 per cent deal, is thought to be ready, if necessary, to put the offer out to ballot this time.

The last package was rejected against the union's recommendation at a delegate conference.

Strike action by the union's 20,000 members in the industry, which had been set for Monday, parability payment from 6 per has been deferred pending the cent on the wages bill to 7.2 outcome of yesterday's talks. has been deferred pending the

# Slack demand may unify OPEC price

BY RICHARD JOHNS, MIDDLE EAST EDITOR

differentials for OPEC crude oil could be fixed by the middle of this year, Dr. Humberto Calderon Minister of Energy, said in London yesterday. This agreement could be

reached by the Organisation of Petroleum Exporting Countries because of slack demand. The agreement would end the

\$26 per barrel for Saudi Arabia to the \$37.41 set by Algeria.

Dr. Calderon would not estimate what level of com-

promise might be possible. But any reunifying of OPEC's price structure could be expected to involve a substantial increase in official selling prices at the lower end of the range accounting for the bulk of production. Nevertheless, Dr. Calderon

predicted that market conditions MILD with rain at times.
would provide the basis for London, S.E. England and East
agreement because of the record

Angila level of stocks, currently at an

and the mild winter. But he expressed no firm confidence that OPEC would succeed at its next Ministerial Conference, scheduled for (52F).

Algiers in June, in establishing S.W. England, N. and S. Wales

a common price structure after having failed at the Caracas meeting last December. Dr. Calderon was speaking before the final meeting of OPEC's long-term strategy committee which is expected

to complete recommendations about pricing and production policy over the next 15 years. But he acknowledged that its suggestions would remain of academic interest until the present pricing structure is

At present, members might raise prices to \$100 a barrel over the next two months, the Venezuelan Minister said. Clearly, he did not mean his words to be taken literally but was warning of the consequences of the chaos in the market over the past year, during which prices have more than doubled.

Dr. Calderon stressed his

# Continued from Page 1

from the dollar's exchange rate and efficient modern plants, in-stalled at considerable capital

He insisted that there was no link between the British quotas and the likelihood that the U.S. steel industry would soon initlate anti-dumping action against had tried to prevent the move, file an anti-dumping complaint next week.
Following talks with the EEC

Commission in Brussels this week, Mr. Askew said he was now more confident that the U.S. and the community would be able to "manage" the ramifications of an American anti-dumping suit. But while there was a faint glimmer of hope," he would not say what had caused it.

H. Kong C 17 63 Taronto Innsbrk. S 6 43 Tunis Inverse. R 7 45 Valencia (Inspress) R now more confident that the U.S. H. Kong and the community would be lansbrk. able to "manage" the ramifications of an American anti-dumpling mit Post while there was

A BASIC reference price and Government's conviction that there should be agreement on prices and production levels. However, during a tour of OPEC Berti. Venezuelan member states in the company of President Luis Herrers Campins, Venezuela is under-stood to have found them far from agreement on the vexed problem of differentials between the prices of different crude varities. It was on this issue that the chances of agreement

foundered in Caracas. The indications are that other producers are only too happy to continue profiting from the multi-tier system, as long as market conditions allow them to do so.

UK TODAY

Weather

Some bright intervals at first. estimated 5bn barrels, resulting mostly cloudy with occasional from heavy inventory building rain. Mild. Max. 11C (52F). and the mild winter. Cent. S. and N. England, E. and

W. Midlands, Channel Is. Occasional rain, mostly light. Drier later. Mild. Max. 11c

Rather cloudy at first, becoming brighter with some sunny intervals but showers developing later. Mild. Max. 12C (54F). N.W. England, Lakes, Isle of Man, S.W. Scotland, Glasgow Outbreaks of rain, some bright

intervals later. Mild. Max. 11C Argyll, N.W. Scotland, N. Ireland

Showers or longer periods of rain, some bright or sunny intervals developing. Temperatures near normal. Max. SC (46F). Outlook: Mostly dry and mild

at first, overnight fog patches and frost in places, becoming cloudy with some rain in the North later.

#### WORLDWIDE

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THE LEX COLUMN

# Vertigo in the bond markets

This week the UK gilt-edged market has been something of a haven of peace amidst the disaster areas of other major bond markets around the world. Yesterday, for instance, German bonds were again on the slide. and in Los Angeles Mr. Henry Kaufman added to the U.S. bond market's agonies by suggesting that nothing short of a state of national emergency would be adequate to cope with

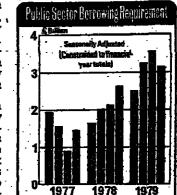
the inflationary crisis. The full impact of the rise in oil prices late last year is now being felt by the world's banking system and securities markets. Credit has become markedly tighter in most countries as the oil price rises push industry deeper into financial deficit and governments try to control monetary growth. The squeeze has pricked the speculative bubble in commodities, and is putting pressure on where investors have markets. anyway woken up to the sharp acceleration in worldwide

inflation. The recent steadiness of UK gilts must partly reflect the fact that yields are still somewhat higher than on dollar bonds, while sterling does of course have the backing of North Sea oil. Partly, too, it reflects the market's faith in the drastic change in fiscal policy. Yester-day's official figures on the public sector borrowing requirement in the October-December quarter show a slight reversal in the alarming two-year expansionary trend, and in fact if the Government is to hit its £9bn revised target for the financial year there will have to be a £1bn or so surplus in the current quarter. This explains the current crashing and grind-ing of gears in the money markets (even though the authorities slipped briefly into reverse over make-up day). Beyond the Budget, PSBR will expand again but

only — so the story goes — to between £2bn and £2.5bn a quarter. But the Budget statement will have a hard task to prove that this, and the maintenance of current money targets, are at all easily compatible with a pay round rising through 20 per cent.

#### Sime Darby

Index fell 0.7 to 457.6



to come back for the 70 per cent of Guthrie which it failed to pick up last time. to pick up last time.

Sime's interim balance sheet
shows that Guthrie would be a
very-big mouthful at today's
prices. Last year's bid was
around 525p per share; today,
thanks to much higher com-

modity prices, the shares stand at 805p, and Sime would surely have to offer 900p or more if it wanted to be sure of avoiding the humiliation of a second defeat. That would mean forking out over £180m.

Sime's net worth is £169m, and there is another £71m of minority shareholders' funds to support its term loans of £105m. Thanks to the removal of exchange controls it would be much easier to offer paper today than it was a year ago, but a share offer would probably have to be underwritten and could leave Guthrie shareholders with roughly a third of the en-larged equity. Such dilution of control might not be too popular in the Far East. A bid could be made through Consolidated Plantations, a quoted subsidiary, but at the cost of diluting Sime's interest from nearly twothirds to roughly one-third.

Sime may not be motivated y financial considerations alone. But it is not going to get Guthrie without a lot of help from its friends.

#### Bath and Portland

The interim statement from its disastrous experience in Sime Darby will be read with Iran. The loss of earnings But in the present market special interest by directors of from this source with related a share cash is not an entitude of the Guthrie Corporation—who finance costs, accounts for most bad way out of an unsatis could be fighting a bid from of the fall in pre-tax profits tory investment. But it is the company in six weeks time. from £5.2m to £2.8m, although fortunate that Mr. Structure. That will be the first anniver-sary of Sime's unsuccessful bid and a move into loss by the UK view of the commitment last year, which will leave it free under the takeover rules the division have con-undertook to his public sh

decided that it cannot rely tax relief to provide 52 cent of its earlier £3.5m vision against Iranian les So there is a £1.82m ex ordinary item, after which unchanged dividend paym

is not covered.

At last night's price of the market capitalisation only £7m, a discount of 60 cent to net worth. The Iran positions should be resolutions should be resolutions should be resolution. The trace positions are proposed to be reasonable shape. But the per cent yield is signalling hid prospects.

#### Royco

In opportunistic entrep-eurial tradition, Mr. Roy Str wick is taking full advantage the opportunities that the s market affords. Having launc his property development c pany, Royco, through the g offices of First National Fini in 1972, on a p/e of 15.3 and six times asset value, he is offering to buy it back or four times multiple at aro net worth.

The independent directors the company have stated they regard Mr. Strudw offer as inadequate, but t admit that profits may be : cyclical peak and the shares liable to fall.

Mr. Strudwick's adviction he is happy to leav

quoted minority in the comp as long as the minority un stands what it is in for company will be run on que private lines, and divided tribution may be irregu Small shareholders may dep this state of affairs, but it is not much they can do at it: the institutions who their shares to Mr. Strudy allowing him to take his hok up from 37 per cent to just a 50 per cent, clearly chose vote with their feet.

The advice from the i pendent directors that sh holders should hang on we carry more weight if they a substantial stake themsel rather than just 500 sh between them. Long-term vestors may choose to hold with a view that one day Bath and Portland Structwick may get tired
Bath and Portland's 1978-79 maintaining a Stock Excha figures are deeply scarred by quote and make a n

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#### can find the extra money that meet in Sheffield to consider a the unions are demanding. Its last offer, of 10 per cent at steel company, Hadfields, that national level and another 4 it would be forced out of busiper cent minimum in return for ness unless work resumed. The local productivity deals, has Hadfields workforce reluctantly

in the industry. Today the

whose negotiators meet union leaders again today, now believe that only the Government

that as much as £50m could be

available from the Community

over several years, provided

Christian Tyler, writes: BSC

European Coal and Steel Com- of Blastfurnacemen are ex- not continue to lose £500,000 a munity financial mechanisms, pected to name the figure on week, and that the 2,800 jobs These could enable the com- which their members would

mission to match increased settle. UK spending, if directed at cushioning and extending the figure is probably nearer 17 or There has been speculation 18 per cent than 14 per cent. In the Commons, Mrs. Mar-

garet Thatcher congratulated workers at the privately-owned there was a similar contribu-Sheerness steel plant in Kent for defying Thursday's mass picket and staying at work. She also congratulated the police. Tomorrow, ISTC officials will

#### Continued from Page 1

are at risk.

The unions were giving noth- Ministers point to the vote ing away last night, but the earlier this week by BL workers Ministers point to the vote against strike action as an event of major importance. They see it and the decision of the Sheerness steel workers to continue working despite mass will provide an effective rebuff

Iron and Steel Trades Confed- of Hadfields, has told union ings should be cancelled to eration and the National Union officials that the company can- allow maximum attendance.